IMPORTANT: If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for independent financial advice.

Bosera ETFs

Bosera STAR 50 Index ETF

(A sub-fund of Bosera ETFs, a Hong Kong umbrella unit trust, authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)

RMB Counter Stock Code: 82832
HKD Counter Stock Code: 02832

PROSPECTUS

Manager
Bosera Asset Management (International) Co., Limited

November 2026

The Stock Exchange of Hong Kong Limited, Hong Kong Exchanges and Clearing Limited, Hong Kong Securities Clearing Company Limited and the Hong Kong Securities and Futures Commission (the "SFC") take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. The Trust and the Bosera STAR 50 Index ETF have each been authorised as collective investment schemes by the SFC. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

IMPORTANT INFORMATION

This Prospectus relates to the offer in Hong Kong of units (the "Units") in the Bosera STAR 50 Index ETF (the "Bosera STAR 50 ETF"), a sub-fund of Bosera ETFs (the "Trust"), an umbrella unit trust established under Hong Kong law by a trust deed dated 30 September 2013, as amended and restated from time to time (the "Trust Deed") between Bosera Asset Management (International) Co., Limited (the "Manager") and HSBC Institutional Trust Services (Asia) Limited (the "Trustee"). The Bosera STAR 50 ETF is a physical exchange traded fund investing directly in underlying A-Shares.

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in the Bosera STAR 50 ETF. It contains important facts about the Bosera STAR 50 ETF whose Units are offered in accordance with this Prospectus. A product key facts statement which contains the key features and risks of the Bosera STAR 50 ETF is also issued by the Manager and such product key facts statement shall form part of this Prospectus, and shall be read, in conjunction with, this Prospectus.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and confirms having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading. The Manager also confirms that this Prospectus includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Code on Unit Trusts and Mutual Funds (the "Code") and the "Overarching Principles" of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products for the purposes of giving information with regard to the Units of the Bosera STAR 50 ETF. The Trustee is not responsible for the preparation of this Prospectus and shall not be held liable to any person for any information disclosed in this Prospectus, except for the information regarding the Trustee itself under the paragraph headed "The Trustee and Registrar" in the section on "Management of the Trust".

The Bosera STAR 50 ETF is a fund falling within Chapter 8.6 of the Code. The Trust and the Bosera STAR 50 ETF are authorised by the SFC in Hong Kong under Section 104 of the Securities and Futures Ordinance. The SFC takes no responsibility for the financial soundness of the Trust, the Bosera STAR 50 ETF or for the correctness of any statements made or opinions expressed in this Prospectus. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

You should consult your financial adviser, consult your tax advisers and take legal advice as appropriate as to whether any governmental or other consents are required, or other formalities need to be observed, to enable you to acquire Units as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable and to determine whether any investment in the Bosera STAR 50 ETF is appropriate for you.

Dealings in the Units on The Stock Exchange of Hong Kong Limited (the "SEHK") have already commenced. The Units have been accepted as eligible securities by Hong Kong Securities Clearing Company Limited ("HKSCC") for deposit, clearance and settlement in the Central Clearing and Settlement System ("CCASS"). All activities under CCASS are subject to the General Rules of HKSCC and HKSCCOperational Procedures in effect from time to time.

No action has been taken to permit an offering of Units or the distribution of this Prospectus in any jurisdiction other than Hong Kong and, accordingly, the Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The Units have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any other United States Federal or State law and, except in a transaction which does not violate the U.S. Securities Act, may not be directly or indirectly offered to or sold in the United States of America or any of its territories or for the benefit of a US Person (as defined in Regulation S of the U.S. Securities Act). The Trust and the Bosera STAR 50 ETFs have not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended. Units may not be acquired or owned by (i) an employee benefit plan, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), that is subject to Title I of ERISA, (ii) a plan, as defined in Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the "IRS Code"), that is subject to Section 4975 of the IRS Code, (iii) a plan that is subject to any other law, regulation, rule or restriction that is substantially similar to ERISA or Section 4975 of the IRS Code ("Similar Law") or (iii) an entity whose assets are deemed to include the assets of such an employee benefit plan or plan for purposes of ERISA, Section 4975 of the IRS Code or Similar Law, unless the purchase, holding and disposition of units will not constitute a violation under ERISA, Section 4975 of the IRS Code and any applicable Similar Law.

Furthermore, distribution of this Prospectus shall not be permitted unless it is accompanied by a copy of the latest annual financial report of the Bosera STAR 50 ETF (where existing) and, if later, its most recent interim report.

You should note that any amendment or addendum to this Prospectus will only be posted on the Manager's website (www.bosera.com.hk/STAR50). This Prospectus may refer to information and materials included in websites. Such

information and materials do not form part of the Prospectus and they have not been reviewed by the SFC or any regulatory body. Investors should note that the information provided in websites may be updated and changed periodically without any notice to any person.

Questions and complaints

Investors may raise any questions on or make any complaints about the Trust (including the Bosera STAR 50 ETF) by contacting the Manager at its address as set out in the Directory of this Prospectus, by telephone at its telephone number: (852) 2537 6658 or by facsimile at its facsimile number: (852) 2537 1249.

DIRECTORY

Manager and RQFII Holder
Bosera Asset Management (International) Co., Limited
Suite 4109, Jardine House
One Connaught Place
Central
Hong Kong

Investment Adviser
Krane Funds Advisors, LLC
280 Park Ave, 32nd Floor
New Yrok
NY 10017

Trustee and Registrar
HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Custodian
The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

PRC Custodian
HSBC Bank (China) Company Limited
33/F, HSBC Building
Shanghai IFC
8 Century Avenue
Pudong
Shanghai 200120
China

Service Agent
HK Conversion Agency Services Limited
1/F One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

Participating Dealers

Please refer to the Manager's website and the website of the HKEX for the latest list of Participating Dealers of each Sub-Fund.

RMB Counter Market Makers

Please refer to the Manager's website and the website of the HKEX for the latest list of Market Makers of each Sub-Fund.

Auditor
PricewaterhouseCoopers
21/F, Edinburgh Tower
15 Queen's Road Central
Hong Kong

HKD Counter Market Makers

Please refer to the Manager's website and the website of the HKEX for the latest list of Market Makers of each Sub-Fund.

Legal Counsel to the Manager
Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

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DEFINITIONS

In this Prospectus, unless the context requires otherwise, the following expressions have the meanings set out below. Other capitalised terms used, but not defined, have the meaning given to those terms in the Trust Deed.

"A-Shares" means shares issued by companies incorporated in Mainland China and listed on the SSE, the SZSE or the BSE, traded in RMB and available for investment by domestic investors through Stock Connect (where applicable), QFIIs and RQFIIs.

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

"Application Unit" means such number of Units or whole multiples thereof as specified in this Prospectus or such other whole multiple of Units determined by the Manager, approved by the Trustee and notified to the Participating Dealers.

"Bosera STAR 50 ETF" means the Bosera STAR 50 Index ETF, a sub-fund of the Trust.

"Business Day" in respect of the Bosera STAR 50 ETF, means, unless the Manager and the Trustee otherwise agree, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant securities market on which Securities comprised in the Index are traded is open for normal trading or (iii) if there are more than one such securities market, the securities market designated by the Manager is open for normal trading, and (b) the Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

"Cancellation Compensation" means an amount payable for the account of the Bosera STAR 50 ETF by a Participating Dealer in respect of a Default, as set out in the Trust Deed, the Participation Agreement and/or in the Operating Guidelines applicable at the time the relevant Creation Application or Redemption Application is made.

"CCASS" means the Central Clearing and Settlement System established and operated by HKSCC or any successor system operated by HKSCC or its successors.

"CCASS Settlement Day" means the term "Settlement Day" as defined in the General Rules of HKSCC.

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

"Connected Person" has the meaning as set out in the Code which at the date of this Prospectus means in relation to a company:

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

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

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

(d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c).

"Creation Application" means an application by a Participating Dealer for the creation and issue of Units in an Application Unit size (or whole multiples thereof) in accordance with the Operating Guidelines and the Trust Deed.

"CSDCC" means the China Securities Depository and Clearing Co., Ltd.

"CSRC" means the China Securities Regulatory Commission.

"Custodian" means The Hongkong and Shanghai Banking Corporation Limited, appointed as custodian of Bosera STAR 50 ETF pursuant to the PRC Custodian Agreement.

"Dealing Day" means each Business Day during the continuance of Bosera STAR 50 ETF, and/or such other day or days as the Manager may from time to time determine with the approval of the Trustee.

"Dealing Deadline" in relation to any particular place and any particular Dealing Day, means the time on each Dealing Day specified in the "The Offering Phases" section of this Prospectus or such other time or day as the Manager may from time to time determine with the approval of the Trustee.

"Default" means a failure by a Participating Dealer in respect of:

(a) a Creation Application to deliver the relevant cash amount; or

(b) a Redemption Application to deliver the Units the subject of the Redemption Application and/or relevant cash amount.

"Deposited Property" means, in respect of the Bosera STAR 50 ETF, all the assets (including cash), received or receivable by the Trustee, for the time being held or deemed to be held upon the trusts and subject to the terms of the Trust Deed for the account of the Bosera STAR 50 ETF excluding (i) the Income Property and (ii) any other amount for the time being standing to the credit of the distribution account of the Bosera STAR 50 ETF.

"Dual Counter" means the facility by which the Units traded in RMB and traded in HKD are each assigned separate stock codes on the SEHK.

"Duties and Charges" means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Securities or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing and including but not limited to, in relation to an issue of Units or redemption of Units, a charge (if any) of such amount or at such rate as is determined by the Manager or the Trustee to be made for the purpose of compensating or reimbursing the Trust for the difference between (a) the prices used when valuing the Securities in the Trust Fund for the purpose of such issue or redemption of Units and (b) (in the case of an issue of Units) the prices which would be used when acquiring the same Securities if they were acquired by the Trust with the amount of cash received by the Trust upon such issue of Units and (in the case of a redemption of Units) the prices which would be used when selling the same Securities if they were sold by the Trust in order to realise the amount of cash required to be paid out of the Trust Fund upon such redemption of Units.

"Encumbrance" means any mortgage, charge, pledge, lien, third party right or interest, any other encumbrance or security interest of any kind or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect.

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

"Extension Fee" means the fee payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.

"Government and other Public Securities" has the meaning as set out in the Code which at the date of this Prospectus means any investment issued by, or the payment of principal and interest on, which is guaranteed by a government, or any fixed-interest investment issued by its public or local authorities or other multilateral agencies.

"HKD" means Hong Kong dollars, the lawful currency of Hong Kong.

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

"IFRS" means International Financial Reporting Standards.

"Income Property" means, in respect of the Bosera STAR 50 ETF, (a) all interest, dividends and other sums deemed by the Trustee, (after consulting the auditors either on a general or case by case basis), to be in the nature of income (including taxation repayments, if any) received or receivable by the Trustee in respect of the Deposited Property of the Bosera STAR 50 ETF (whether in cash or, without limitation, by warrant, cheque, money, credit or otherwise or the proceeds of sale or transfer of any Income Property received in a form other than cash); (b) all interest and other sums received or receivable by the Trustee in respect of (a), (c) or (d) of this definition; (c) all cash payments received or receivable by the Trustee for the account of the Bosera STAR 50 ETF in respect of an Application; and (d) all Cancellation Compensation received by the Trustee for the account of the Bosera STAR 50 ETF; (e) any payments to be received or are receivable by the Trustee under any contractual agreements in the nature of investments for the benefit of the Bosera STAR 50 ETF but excluding (i) other Deposited Property; (ii) any amount for the time being standing to the credit of the distribution account for the account of the Bosera STAR 50 ETF or previously distributed to Unitholders; (iii) gains for the account of the Bosera STAR 50 ETF arising from the realisation of Securities; and (iv) any sums applied towards payment of the fees, costs and expenses payable by the Trust from the Income Property of the Bosera STAR 50 ETF;

"Index" means the SSE Science and Technology Innovation Board 50 Index, the index against which the Bosera STAR 50 ETF is benchmarked.

"Index Provider" means China Securities Index Co., Ltd..

"Insolvency Event" occurs in relation to a person where (i) an order has been made or an effective resolution passed for the liquidation or bankruptcy of the person; (ii) a receiver or similar officer has been appointed in respect of the person or of any of the person's assets or the person becomes subject to an administration order; (iii) the person enters into an arrangement with one or more of its creditors or is deemed to be unable to pay its debts; (iv) the person ceases or threatens to cease to carry on its business or substantially the whole of its business or makes or threatens to make any material alteration to the nature of its business; or (v) the Manager in good faith believes that any of the above is likely to occur.

"Issue Price" means the price at which Units may be issued, determined in accordance with the Trust Deed.

"Listing Date" means the date, 9 December 2013, on which the Units are first listed and from which dealings therein are permitted to take place on SEHK.

"Manager" means Bosera Asset Management (International) Co., Limited or such other person or persons for the time being duly appointed manager or managers of the Trust in succession thereto being approved by the SFC as qualified to act as such for the purposes of the Code.

"Market" means in any part of the world:

(a) in relation to any Security: the SEHK or such other stock exchange from time to time determined by the Manager; and

(b) in relation to any futures contract: the Hong Kong Futures Exchange or such other futures exchange from time to time determined by the Manager.

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

"Net Asset Value" means the net asset value of the Bosera STAR 50 ETF or, as the context may require, the net asset value of a Unit calculated under the Trust Deed.

"Operating Guidelines" means the guidelines for the creation and redemption of Units of a class as set out in the schedule to the Participation Agreement as amended from time to time by the Manager with the approval of the Trustee and following consultation, to the extent reasonably practicable, with the Participating Dealers, and as notified in writing by the Manager in advance to the Participating Dealers, including without limitation, the procedures for creation and redemption of Units. Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the Bosera STAR 50 ETF applicable at the time of the relevant Application.

"Participating Dealer" means any licensed broker or dealer and who has entered into a Participation Agreement in form and substance acceptable to the Manager and the Trustee.

"Participation Agreement" means an agreement entered into between the Trustee, the Manager and a Participating Dealer setting out, (amongst other things), the arrangements in respect of the issue of Units and the redemption and cancellation of Units.

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

"PRC" means the People's Republic of China, excluding for the purposes of interpretation of this Prospectus only, Hong Kong, Macau and Taiwan.

"PRC Custodian" means HSBC Bank (China) Company Limited or such other person appointed as PRC custodian of the Bosera STAR 50 ETF.

"PRC Custodian Agreement" means the custodian agreement entered into between the Trustee, the Manager, the Custodian and the PRC Custodian, as amended from time to time.

"PRC Participation Agreement" means the participation agreement entered into between the Trustee, the Manager, the Custodian and the PRC Custodian, as amended from time to time.

"QFII" means a qualified foreign institutional investor approved pursuant to the relevant PRC regulations (as amended from time to time).

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

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

"Redemption Application" means an application by a Participating Dealer for the redemption of Units in Application Unit size (or whole multiples thereof) in accordance with the Operating Guidelines and the Trust Deed.

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

"Registrar" means the HSBC Institutional Trust Services (Asia) Limited or such other person appointed as registrar of the Bosera STAR 50 ETF to keep the register of the Unitholders of the Bosera STAR 50 ETF.

"reverse repurchase transactions" means transactions whereby the Bosera STAR 50 ETF purchases Securities from a counterparty of sale and repurchase transactions and agrees to sell such securities back at an agreed price in the future.

"sale and repurchase transactions" means transactions whereby the Bosera STAR 50 ETF sells

its securities to a counterparty of reverse repurchase transactions and agrees to buy such securities back at an agreed price with a financing cost in the future.

"RMB" or "Renminbi" means Renminbi Yuan, the lawful currency of the PRC.

"RQFII" means a Renminbi qualified foreign institutional investor approved pursuant to the relevant PRC regulations (as amended from time to time).

"RQFII Regulations" is as defined on page 9 of this Prospectus.

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

"SAT" means the State Administration of Taxation of the PRC.

"Securities" means any shares, stocks, debentures, loan stocks, bonds, securities, commercial paper, acceptances, trade bills, warrants, participation notes, certificates, structured products, treasury bills, instruments or notes of, or issued by or under the guarantee of, any body, whether incorporated or unincorporated, and whether listed or unlisted, or of any government or local government authority or supranational body, whether paying interest or dividends or not and whether fully-paid, partly paid or nil paid and includes (without prejudice to the generality of the foregoing):

(a) any right, option or interest (howsoever described) in or in respect of any of the foregoing, including units in any Unit Trust (as defined in the Trust Deed);

(b) any certificate of interest or participation in, or temporary or interim certificate for, receipt for or warrant to subscribe or purchase, any of the foregoing;

(c) any instrument commonly known or recognised as a security;

(d) any receipt or other certificate or document evidencing the deposit of a sum of money, or any rights or interests arising under any such receipt, certificate or document; and

(e) any bill of exchange and any promissory note.

"securities lending transactions" means transactions whereby the Bosera STAR 50 ETF lends its securities to a security-borrowing counterparty for an agreed fee.

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

"Service Agent" means HK Conversion Agency Services Limited or such other person as may from time to time be appointed to act as service agent in relation to the Bosera STAR 50 ETF.

"Service Agent's Fee" means the fee which may be charged for the benefit of the Service Agent to each Participating Dealer on each Creation Application or Redemption Application made by the relevant Participating Dealer, the maximum level of which shall be determined by the Service Agent and set out in this Prospectus.

"Service Agreement" means each agreement by which the Service Agent agrees with the Manager and the Trustee to provide its services entered amongst the Trustee, the Manager, the Participating Dealer, the Service Agent and Hong Kong Securities Clearing Company Limited.

"Settlement Day" means the Business Day which is two (2) Business Days after the relevant Dealing Day (or such Business Day as is permitted in relation to such Dealing Day pursuant to the Operating Guidelines) or such other number of Business Days after the relevant Dealing Day (if any) as determined by the Manager in consultation with the Trustee from time to time and notified to the relevant Participating Dealers.

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

"SFO" means the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong.

"SSE" means the Shanghai Stock Exchange.

"STAR Board" means the Science and Technology Innovation Board of Shanghai Stock Exchange.

"Stock Connect" means the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong stock Connect.

"SZSE" means the Shenzhen Stock Exchange.

"Transaction Fee" means the fee, in respect of the Bosera STAR 50 ETF, which may be charged for the benefit of the Service Agent, the Registrar and/or the Trustee to each Participating Dealer on each Dealing Day upon which an Application has been or Applications have been made by the relevant Participating Dealer.

"Trust" means the umbrella Unit Trust constituted by the Trust Deed and called Bosera ETFs or such other name as the Manager may from time to time determine, upon prior notice to the Trustee.

"Trust Deed" means the trust deed dated 30 September 2013 between the Manager and the Trustee constituting the Trust (as amended and restated from time to time), including an amended and restated trust deed amending and restating the trust deed with effect from 31 December 2019.

"Trust Fund" means all the property held or deemed to be held by the Trustee in respect of the Bosera STAR 50 ETF, including the Deposited Property and Income Property attributable to the Bosera STAR 50 ETF, except for any amounts to be distributed, in accordance with the Trust Deed.

"Trustee" means HSBC Institutional Trust Services (Asia) Limited or such other person or persons for the time being duly appointed as trustee or trustees hereof in succession thereto in accordance with the Trust Deed.

"Unit" means a unit representing an undivided share in the Bosera STAR 50 ETF.

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

"Valuation Point" means, in respect of the Bosera STAR 50 ETF, the official close of trading on the Market on which the Securities constituting the Index are listed on each Dealing Day and if more than one, the official close of trading on the last relevant Market to close or such other time or times as determined by the Manager in consultation with the Trustee from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Units.

SUMMARY

Key information

Set out below is a summary of key information in respect of the Bosera STAR 50 ETF which should be read together with the full text of this Prospectus.

Index	SSE Science and Technology Innovation Board 50 Index
Type of index	Price return, i.e. the performance of the Index is calculated on the basis that dividends are not reinvested.
Listing Date (SEHK)	9 December 2013
Exchange Listing	SEHK – Main Board
Short Stock Name	BOSERA STAR50–R – RMB Counter BOSERA STAR50 – HKD Counter
Stock Code	82832 – RMB Counter 02832 – HKD Counter
Trading Board Lot Size	100 Units – RMB Counter 100 Units – HKD Counter
Base Currency	Renminbi (RMB)
Trading Currency	Renminbi (RMB) – RMB Counter Hong Kong Dollar (HKD) – HKD Counter
Dividend Policy	The Manager intends to distribute dividends to Unitholders at least annually having regard to the Bosera STAR 50 ETF's net income after fees and costs. The Bosera STAR 50 ETF may, however, pay dividends out of capital or effectively out of capital (including where the Bosera STAR 50 ETF pays dividends out of gross income and charges/pays all or part of the fees and expenses to/out of capital). Where dividends are distributed out of capital or effectively out of capital, this may result in an immediate reduction in the Net Asset Value per Unit. **All Units (whether RMB or HKD traded Units) will receive distributions in RMB only.**[#]
Creation/Redemption Policy	Cash (RMB) only

Application Unit size (only by or through Participating Dealers)	Minimum 300,000 Units (or multiples thereof) or such other number of Units as the Manager may determine
Management Fee	1.00%
Investment Strategy	The Manager will use a full replication strategy. The Manager may also use a representative sampling strategy in exceptional circumstances. Please refer to the section on "What is the investment strategy?" below
Financial Year End	31 December
Website	www.bosera.com.hk/STAR50

[#] ***Both HKD traded Units and RMB traded Units will receive distributions in RMB only. In the event that the relevant Unitholder has no RMB account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Unitholders are advised to check with their brokers for arrangements concerning distributions and to consider the risk factor entitled "RMB distributions risk" below.***

What is the investment objective?

The investment objective of the Bosera STAR 50 ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Bosera STAR 50 ETF will achieve its investment objective.

What is the investment strategy?

In order to achieve the investment objective, the Manager will use a full replication strategy through investing directly in A-Shares included in the Index in substantially the same weightings in which such A-Shares are included in the Index, through the Manager's RQFII status (as explained in the section on "What is the RQFII regime" below) and/or, when available, the Shanghai-Hong Kong Stock Connect (as explained in the section on "What is the Shanghai-Hong Kong Stock Connect" below). The Manager will not use a representative sampling strategy other than in exceptional circumstances.

Under exceptional circumstances (i.e. due to restrictions, suspensions of trading or limited availability of certain Index A-Shares), the Manager may also use a representative sampling strategy where:

- it is not feasible to acquire certain A-Shares which are constituents of the Index due to restrictions or limited availability. The Manager may invest in a representative sample whose performance is closely correlated with the Index, but whose constituents may or may not themselves be constituents of the Index; and/or

- it is not cost efficient, by reference to the Bosera STAR 50 ETF's Net Asset Value, to use a full replication strategy. In such exceptional event the Manager will invest in a representative sample of A-Shares constituting the Index, which collectively has an investment profile that reflects the profile of the Index.

If any non-constituent of the Index is held in the portfolio, for reasons other than Index rebalancing and Index related corporate action, to enhance transparency the Manager will disclose the name and weighting of such non-constituent (which will only be a listed A-Shares) on the Manager's website immediately after the purchase and it will be reported at least monthly until its disposal.

The Bosera STAR 50 ETF may not hold more than 5% of its Net Asset Value in money market funds and in cash deposits for cash management purposes.

Currently the Manager has no intention to invest the Bosera STAR 50 ETF in any FDIs (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes. The Manager will seek the prior approval of the SFC (if required) and provide at least one month's prior notice to Unitholders before the Manager engages in any such investments.

The investment strategy of the Bosera STAR 50 ETF is subject to the investment and borrowing restrictions set out in Schedule 1.

What is the RQFII regime?

Under current regulations in the PRC, foreign investors can invest in the domestic securities market through certain foreign institutional investors that have obtained status as a QFII or a RQFII from the CSRC to remit foreign freely convertible currencies (in the case of a QFII) and RMB (in the case of a RQFII) for the purpose of investing in the PRC's domestic securities markets. Starting from 1 November 2020 when the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors (in Chinese《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》and its implementing rules (collectively, the "New QFII Measures") take effect, the Manager will be able to select whether to use foreign convertible currencies or RMB to make investment under the RQFII regime.

The RQFII regime was introduced on 16 December 2011 by the "Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors which are Asset Management Companies or Securities Companies" (基金管理公司證券公司人民幣合格境外機構投資者境內證券投資試點辦法) issued by the CSRC, the PBOC and the SAFE, which was repealed effective 1 March 2013.

As of the date of this Prospectus, the RQFII regime is governed by (i) the "Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors" issued by the CSRC, the PBOC and the SAFE and effective from 1 March 2013 (人民幣合格境外機構投資者境內證券投資試點辦法); (ii) the "Implementation Rules for the Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors" issued by the CSRC and effective from 6 March 2013 (關於實施《人民幣合格境外機構投資者境內證券投資試點辦法》的規定); (iii) the "Regulations on Capital Management of Domestic Securities and Futures Investments by Foreign Institutional Investors jointly issued by the PBOC and the SAFE and effective from 6 June 2020 (境外機構投資者境內證券期貨投資資金管理規定); and (iv) any other applicable regulations promulgated by the relevant authorities (collectively, the "RQFII Regulations").

25 September 2020, CSRS issued the New QFII Measures. The New QFII Measures will consolidate the current QFII and RQFII programs into one and replace the RQFII Regulations set forth under Items (i) and (ii) in the preceding paragraph, taking effect from 1 November 2020.

The Manager has obtained RQFII status pursuant to the RQFII Regulations.

All (including those via the Shanghai-Hong Kong Stock Connect when available) of the Bosera STAR 50 ETF's assets in the PRC (including onshore PRC cash deposits and its onshore A-Shares portfolio) will be held by the Custodian (through the PRC Custodian) in accordance with the terms of the PRC Custodian Agreement and PRC Participation Agreement. A Securities account shall be opened with CSDCC in the joint names of the Manager (as the RQFII holder) and the Bosera STAR 50 ETF. An RMB special deposit account shall also be established and maintained with the PRC Custodian in the joint names of the Manager (as the RQFII holder) and the Bosera STAR 50 ETF. The PRC Custodian shall, in turn, have a cash clearing account with CSDCC for trade settlement according to applicable regulations.

The Manager has obtained a legal opinion confirming that, as a matter of PRC law:

(a) Securities account(s) with the CSDCC and maintained by the PRC Custodian and RMB special deposit account(s) with the PRC Custodian (respectively, the "Securities Account" and the "Cash Account") have been opened in the joint names of the Manager (as RQFII holder) and the Bosera STAR 50 ETF in accordance with all applicable laws and regulations of the PRC and with approval from all competent authorities in the PRC;

(b) the assets held/credited in the Securities Account(s) (i) belong solely to the Bosera STAR 50 ETF, and (ii) are segregated and independent from the proprietary assets of the Manager (as RQFII holder), the Custodian, the PRC Custodian and any broker appointed by the Manager to execute transactions for the Bosera STAR 50 ETF in the PRC (a "PRC Broker"), and from the assets of other clients of the Manager (as RQFII holder), the Custodian, the PRC Custodian, and any PRC Broker;

(c) the assets held/credited in the Cash Accounts (i) become an unsecured debt owing from the PRC Custodian to the Bosera STAR 50 ETF, and (ii) are segregated and independent from the proprietary assets of the Manager (as RQFII holder) and any PRC Broker, and from the assets of other clients of the Manager (as RQFII holder) and any PRC Broker;

(d) the Trustee, for and on behalf of the Bosera STAR 50 ETF, is the only entity which has a valid claim of ownership over the assets in the Securities Account(s) and the debt in the amount deposited in the Cash Accounts of the Bosera STAR 50 ETF;

(e) if the Manager or any PRC Broker(s) is liquidated, the assets contained in the Securities Account(s) and Cash Accounts of the Bosera STAR 50 ETF will not form part of the liquidation assets of the Manager or such PRC Broker in liquidation in the PRC; and

(f) if the PRC Custodian is liquidated, (i) the assets contained in the Securities Account(s) of the Bosera STAR 50 ETF will not form part of the liquidation assets of the PRC Custodian in liquidation in the PRC, and (ii) the assets contained in the Cash Accounts of the Bosera STAR 50 ETF will form part of the liquidation assets of the PRC Custodian in liquidation in the PRC and the Bosera STAR 50 ETF will become an unsecured creditor for the amount deposited in the Cash Accounts.

Repatriations in RMB conducted by the Manager as RQFII on behalf of the Bosera STAR 50 ETF are permitted daily and are not subject to any lock-up periods or prior approval.

There are specific risks associated with the RQFII regime and investors' attention is drawn to the risk factors under "Risks associated with the RQFII regime" in the section on "Risk Factors" below.

What is the Shanghai-Hong Kong Stock Connect?

The Stock Connect is a securities trading and clearing linked programme developed by the HKEx, the SSE, the SZSE and the CSDCC, with an aim to achieve mutual stock market access between mainland China and Hong Kong. It comprises the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Bosera STAR 50 ETF, when available, may invest directly in A-Shares included in the Index via the Shanghai-Hong Kong Stock Connect.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Bosera STAR 50 ETF), through their Hong Kong brokers and securities trading service companies (in Shanghai and Qianhai Shenzhen respectively) established by the SEHK and the HKSCC, are able to trade eligible shares listed on the SSE by routing orders to the SSE. Under the Southbound Trading Link, eligible investors, through PRC securities firms and securities trading service companies established by the SSE, are able to trade eligible shares listed on the SEHK by routing orders to the SEHK.

Eligible securities – Initially, Hong Kong and overseas investors are only able to trade certain stocks listed on the SSE market (the "SSE Securities"). SSE Securities include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H Shares listed on the SEHK, except the following:

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

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

It is expected that the list of eligible securities will be subject to review. For the avoidance of doubt, currently A-shares listed on the STAR board are not eligible for trading via the Shanghai-Hong Kong Stock Connect.

Trading day – Investors (including the Bosera STAR 50 ETF) will only be allowed to trade on the other market on days where both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

Trading quota – Trading under the Shanghai-Hong Kong Stock Connect will be subject to a daily quota ("Daily Quota"), which will be separate for Northbound and Southbound trading. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shanghai-Hong Kong Stock Connect each day. The quotas do not belong to the Bosera STAR 50 ETF and are utilised on a first-come-first-serve basis. The SEHK monitors the quota and publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEx's website. The Daily Quota may change in future. The Manager will not notify investors in case of a change of quota.

Settlement and Custody – The HKSCC is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. Accordingly investors do not hold SSE Securities directly – these are held through their brokers' or custodians' accounts with CCASS.

Corporate actions and shareholders' meetings – Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities held in its omnibus stock account in the CSDCC, the CSDCC as the share registrar for SSE listed companies still treats the HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities. The HKSCC will monitor the corporate actions affecting SSE Securities and keep the relevant CCASS participants informed of all such corporate actions that require HKSCC participants to take steps in order to participate in them.

Currency – Hong Kong and overseas investors (including the Bosera STAR 50 ETF) will trade and settle SSE Securities in RMB only.

Trading fees and taxes – In addition to paying trading fees and stamp duties in connection with A-Share trading, the Bosera STAR 50 ETF may be subject to other fees and taxes concerned with income arising from stock transfers which are determined by the relevant authorities.

Coverage of Investor Compensation Fund – The Bosera STAR 50 ETF's investments through Northbound trading under Shanghai-Hong Kong Stock Connect is not covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the Bosera STAR 50 ETF is carrying

out Northbound trading through securities brokers in Hong Kong but not PRC brokers, such trading is not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC.

Foreign shareholdering restrictions on SSE Securities – Under current PRC rules, a single foreign investor's shareholding in a listed company (regardless of the channels through which shares in such listed company are held, including through QFII, RQFII and Stock Connect) is not allowed to exceed 10% of the company's total issued shares, while all foreign investors' shareholding in the A-shares of a listed company is not allowed to exceed 30% of its total issued shares. If the aggregate foreign shareholding exceeds the 30% threshold, the foreign investors concerned will be requested to sell the shares on a last-in-first-out basis within five trading days. SSE Securities purchased through Shanghai-Hong Kong Stock Connect and SZSE securities purchased through Shenzhen-Hong Kong Stock Connect will be considered in totality with those purchased by QFII and RQFII, and subject to the same foreign shareholding restriction.

Further information about the Stock Connect is available at the website: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm.

What are the Index's characteristics?

The Index of the Bosera STAR 50 ETF is the SSE Science and Technology Innovation Board 50 Index. The Index is a free float-adjusted market capitalisation-weighted index compiled and published by the Index Provider. The Manager (and each of its Connected Persons) is independent of the Index Provider.

The Index consists of 50 securities with largest market capitalisation and good liquidity listed on the STAR Board. The Index aims to reflect the overall performance of leading technological innovation-based enterprises' securities.

The Index is a price return index which means that the performance of the Index is calculated on the basis that any dividends from Securities comprising the Index are not re-invested. The Index is denominated and quoted in RMB.

The Index was launched on 23 July 2020. As of 31 December 2025, it had a total market capitalisation of RMB 4,050.4 billion.

Are there any special RMB payment or account procedures?

Investors may, unless otherwise agreed by the relevant Participating Dealer, apply for Units through Participating Dealers only if they have sufficient RMB to pay the application monies and the related fees. Investors should note that RMB is the only official currency of the PRC. While both onshore RMB ("CNY") and offshore RMB ("CNH") are the same currency, they are traded in different and separated markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC. The liquidity and trading price of the Bosera STAR 50 ETF may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC.

Application monies from Participating Dealers to the Bosera STAR 50 ETF will be paid in RMB only. Accordingly a Participating Dealer may require you (as its client) to pay RMB to it. Payment details will be set out in the relevant Participating Dealer's documentation such as the application form for its clients. As such, you may need to have opened a bank account (for settlement) and a securities dealing account if a Participating Dealer is to subscribe for Units on your behalf as you will need to have accumulated sufficient RMB to pay at least the aggregate Issue Price and related costs, to the Participating Dealer or if an application to the Participating Dealer is not successful or is successful only in part, the whole or appropriate portion of the monies paid will need to be returned to you by the Participating Dealer by crediting such amount into your RMB bank account.

Similarly, if you wish to buy and sell Units in the secondary market on the SEHK, you may need to open a securities dealing account with your broker. You will need to check with the relevant Participating Dealer and/or your broker for payment details and account procedures.

If any investors wish to buy or sell Units on the secondary market, they should contact their brokers and they are reminded to confirm with their brokers in respect of Units traded in RMB such brokers' readiness for dealing and/or clearing transactions in RMB securities and to check other relevant information published by the SEHK regarding readiness of its participants for dealing in RMB securities from time to time. CCASS Investor Participants who wish to settle the payment in relation to their trades in the Units traded in RMB using their CCASS Investor Participant account or to receive distributions in RMB should make sure that they have set up an RMB designated bank account with CCASS.

Investors intending to purchase Units traded in RMB from the secondary market should consult their stockbrokers as to the RMB funding requirement and settlement method for such purchase. Investors may need to open and maintain securities dealing accounts with the stockbroker first before any dealing in Units traded in either HKD or RMB can be effected.

Investors should ensure they have sufficient RMB to settle trades of Units traded in RMB. Investors should consult the banks for the account opening procedures as well as terms and conditions of the RMB bank account. Some banks may impose restrictions on their RMB cheque account and fund transfers to third party accounts. For non-bank financial institutions (e.g. brokers), however, such restriction may not be applicable and investors should consult their brokers as to the currency exchange service arrangement if required.

The transaction costs of dealings in the Units on the SEHK include the SEHK trading fee and SFC transaction levy. All these secondary trading related fees and charges will be collected in Hong Kong dollars and, in respect of Units traded in RMB, calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on HKEx's website by 11:00 a.m. or earlier on each trading day.

Investors should consult their own brokers or custodians as to how and in what currency the trading related fees and charges and brokerage commission should be paid by the investors.

Where payment in RMB is to be made by cheque investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed an internal limits (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor's arrangement of funding for an application (through a Participating Dealer) for the creation of Units.

When an individual investor opens an RMB bank account or settle RMB payments, he or she will be subject to a number of restrictions, including the daily maximum remittance amount to the PRC of RMB80,000. A remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC and provided that the account name of the account in the PRC is identical with that of the RMB bank account with the bank in Hong Kong.

Please also refer to the section entitled "Risks associated with RMB currency" in the section on Risk Factors for further details.

Umbrella fund

The Trust is an umbrella unit trust created by the Trust Deed made under Hong Kong law between the Manager and the Trustee. The Manager and the Trustee shall create and establish separate and distinct sub-trusts within the Trust, each of which is a sub-fund, and units relating to any sub-fund may be issued in one or more classes.

The Bosera STAR 50 ETF is a sub-fund of the Trust.

The Manager and the Trustee reserve the right to establish other sub-funds and/or issue further classes of units relating to the Bosera STAR 50 ETF or any of the sub-funds in the future in accordance with the provisions of the Trust Deed.

THE OFFSHORE RMB MARKET, THE A-SHARES MARKET AND THE STAR BOARD

The offshore RMB market

What led to RMB internationalisation?

RMB is the lawful currency of the PRC. RMB is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC government. Since July 2005, the PRC government began to implement a controlled floating exchange rate system based on the supply and demand in the market and adjusted with reference to a portfolio of currencies. The exchange rate of RMB is no longer pegged to US dollars, resulting in a more flexible RMB exchange rate system.

Over the past two decades, the PRC's economy grew rapidly. This enables it to overtake Japan to become the second largest economy and trading country in the world. As the PRC's economy becomes increasingly integrated with the rest of the world, it is a natural trend for its currency – the RMB, to become more widely used in the trade and investment activities.

Accelerating the pace of RMB internationalisation

The PRC has been taking gradual steps to increase the use of RMB outside its borders by setting up various pilot programmes in Hong Kong and neighbouring areas in recent years. For instance, banks in Hong Kong were the first permitted to provide RMB deposits, exchange, remittance and credit card services to personal customers in 2004. Further relaxation occurred in 2007 when the authorities allowed PRC financial institutions to issue RMB bonds in Hong Kong. As of 31 December 2025, 141 banks in Hong Kong engaging in RMB business, with RMB deposits amounting to about RMB 960.1 billion, as compared to about RMB62.7 billion in December 2009.

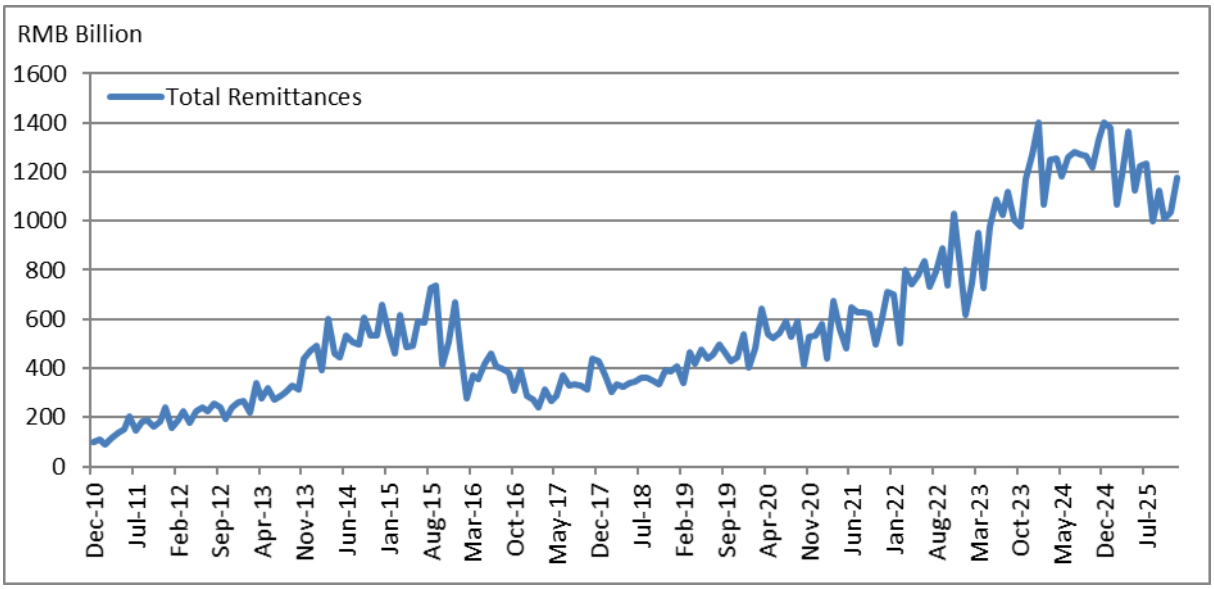
Chart 1: RMB deposits in Hong Kong



Source: Bloomberg. Data as of 31 December 2025.

The pace of RMB internationalisation has accelerated since 2009 when the PRC authorities permitted cross-border trade between Hong Kong / Macau and Shanghai / four Guangdong cities, and between Association of Southeast Asian Nations (ASEAN) and Yunnan/Guangxi, to be settled in RMB. In June 2010, the arrangement was expanded to twenty (20) provinces / municipalities on the PRC and to all countries / regions overseas. In August 2011, the PRC authorities released the "Notice on Expansion of the List of Regions for Cross-border RMB settlement" that announced the extension of coverage of cross-border RMB trade settlement to all provinces / municipalities of the PRC. In December 2025, nearly RMB1,177.41 billion worth of cross-border trade was settled in Hong Kong with RMB.

Chart 2: Total RMB remittances settled in Hong Kong



Source: Bloomberg. Data as of 31 December 2025.

Onshore versus offshore RMB market

Following a series of policies introduced by the PRC authorities, a RMB market outside the PRC has gradually developed and started to expand rapidly since 2009. RMB traded outside the PRC is often referred as "offshore RMB" with the denotation "CNH", which distinguishes it from the "onshore RMB" or "CNY".

Both onshore and offshore RMB are the same currency but are traded in different markets. Since the two RMB markets operate independently where the flow between them is highly restricted, onshore and offshore RMB are traded at different rates and their movement may not be in the same direction. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although occasional discount may also be observed. The relative strength of onshore and offshore RMB may change significantly, and such change may occur within a very short period of time.

Notwithstanding that the offshore RMB market showed a meaningful growth during the past two (2) years, it is still at an early stage of the development and is relatively sensitive to negative factors or market uncertainties. For instance, the value of offshore RMB had once dropped by 2% against the US dollars in the last week of September 2011 amidst the heavy sell off of the equities market. In general, the offshore RMB market is more volatile than the onshore one due to its relatively thin liquidity.

It is widely expected that the onshore and offshore RMB markets would remain two (2) segregated, but highly related, markets for the next few years.

Recent measures

More measures to relax the conduct of offshore RMB business were announced in 2010. On 19 July 2010, with respect to the lifting of restrictions on interbank transfer of RMB funds and, as well as granting permission for companies in Hong Kong to exchange foreign currencies for RMB without limit. One month later, the PRC authorities announced the partial opening up of PRC's interbank bond market for foreign central banks, RMB clearing banks in Hong Kong and Macau and other foreign banks participating in the RMB offshore settlement programme.

The National Twelfth Five-Year Plan adopted in March 2011 explicitly supports the development of Hong Kong as an offshore RMB business centre. In August 2011, PRC Vice-Premier Li Keqiang has announced more new initiatives during his visit, such as allowing investments on the PRC

equity market through the RMB Qualified Foreign Institutional Investor scheme and the launch of an exchange-traded fund with Hong Kong stocks as the underlying constituents in the PRC. Also the PRC Government has given approval for the first non-financial PRC firm to issue RMB-denominated bonds in Hong Kong.

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

RMB internationalisation is a long-term goal

Given the PRC's economic size and growing influence, RMB has the potential to become an international currency in the same ranks as US dollars and euro. But the PRC has to first accelerate the development of its financial markets and gradually make RMB fully convertible on the capital account. Although the internationalisation of RMB will bring benefits such as increasing political influence and reduced exchange rate risks, it also entails risks including rising volatility of RMB exchange rate.

The process of RMB internationalisation is a long and gradual one. It took US dollars many decades to replace the British pound to become a dominant reserve currency. It will also take time for RMB to gain importance in coming years. RMB will not be in a position to challenge the US dollar's main reserve currency status for some time to come.

The A-Share market

Introduction

China's A-Share market commenced in 1990 with three (3) exchanges, the SSE, SZSE and Beijing Stock Exchange.

The SSE was established on 26 November 1990 and stocks are further divided into class A-Shares and class B-Shares, with A-Shares limited to domestic investors as well as QFIIs and RQFIIs or through the Stock Connect programmes, and B Shares available to both domestic and foreign investors. As of 31 December 2025, there are 2,340 A-Share listed companies in the SSE, 1,740 of which are listed on the SSE main board with total market capitalization of RMB 54.46 trillion and free float market capitalization of RMB 52.29 trillion, 600 of which are listed on the SSE STAR Board with total market capitalization of RMB 10.32 trillion and free float market capitalization of RMB 8.47 trillion. The SSE's products cover equities, mutual funds and bonds. The product lines include A-Shares, B-Shares, indices, mutual funds (including exchange traded funds and listed open-end funds), fixed income products, and diversified derivative financial products (including warrants and repurchases).

The SZSE was founded on 1 December 1990 and stocks are further divided into class A-Shares and class B-Shares, with A-Shares limited to domestic investors as well as QFIIs and RQFIIs or through the Stock Connect programmes and B-Shares available to both domestic and foreign investors. As of 31 December 2025, there were 2,921 A-Share listed companies in SZSE, 1,528 of which are listed on the SZSE main board with total market capitalisation of RMB 25.51 trillion and free float market capitalisation of RMB 23.13 trillion, 1,393 of which are listed on the ChiNext (the board mainly for hi-tech companies) with total market capitalisation of RMB 17.73 trillion and free float market capitalisation of RMB 14.33 trillion. SZSE's products cover equities, mutual funds and bonds. The product lines include A-Shares, B-Shares, indices, mutual funds (including exchange traded funds and listed open-end funds), fixed income products, and diversified derivative financial products (including warrants and repurchases).

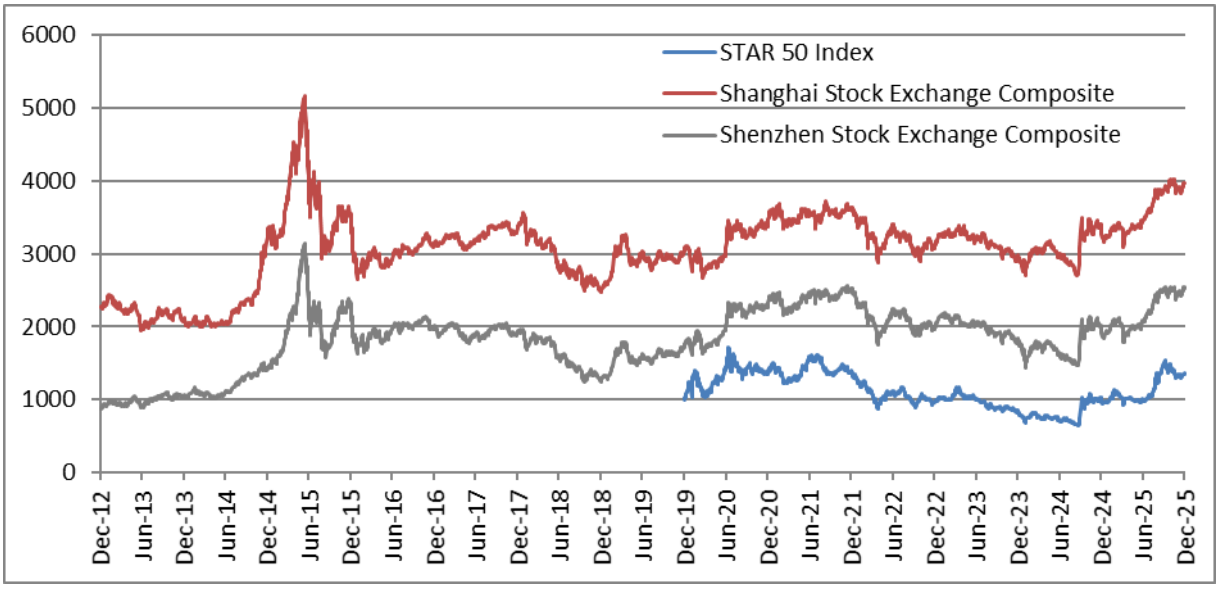
Beijing Stock Exchange was established on 3 September 2021 with current access to A-Shares limited to domestic investors as well as QFIIs and RQFIIs. As of 31 December 2025, there are 288 A-Share listed companies in Beijing Stock Exchange with total market capitalisation of RMB 869

billion.

The A-Share market has grown significantly in the past twenty (20) years, with the latest total market capitalisation reaching RMB 108.89 trillion comprising 5,549 A-Share listed companies by 31 December 2025.

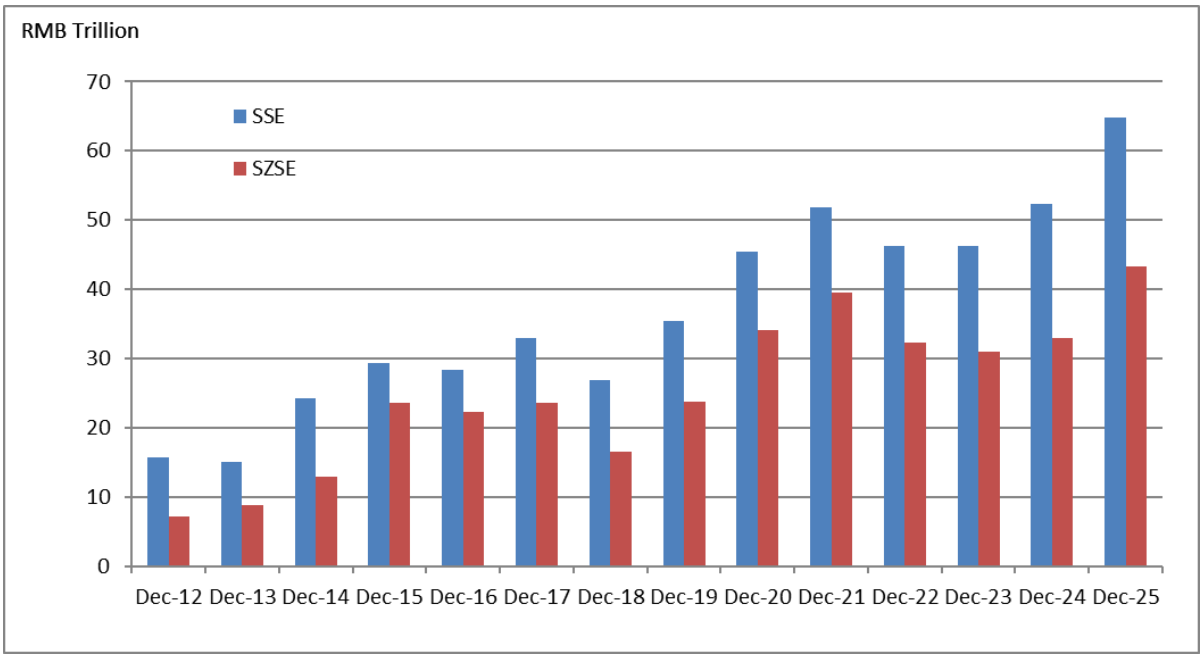
In terms of investor breakdown, there is an increasing number of institutional investors participating in the A-Shares market since the inception, which include securities investment funds, social pension funds, qualified foreign institutional investors, insurance companies, ordinary investment institutions.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

Chart 1: Shanghai and Shenzhen Composite Index Price/STAR 50 Index Price



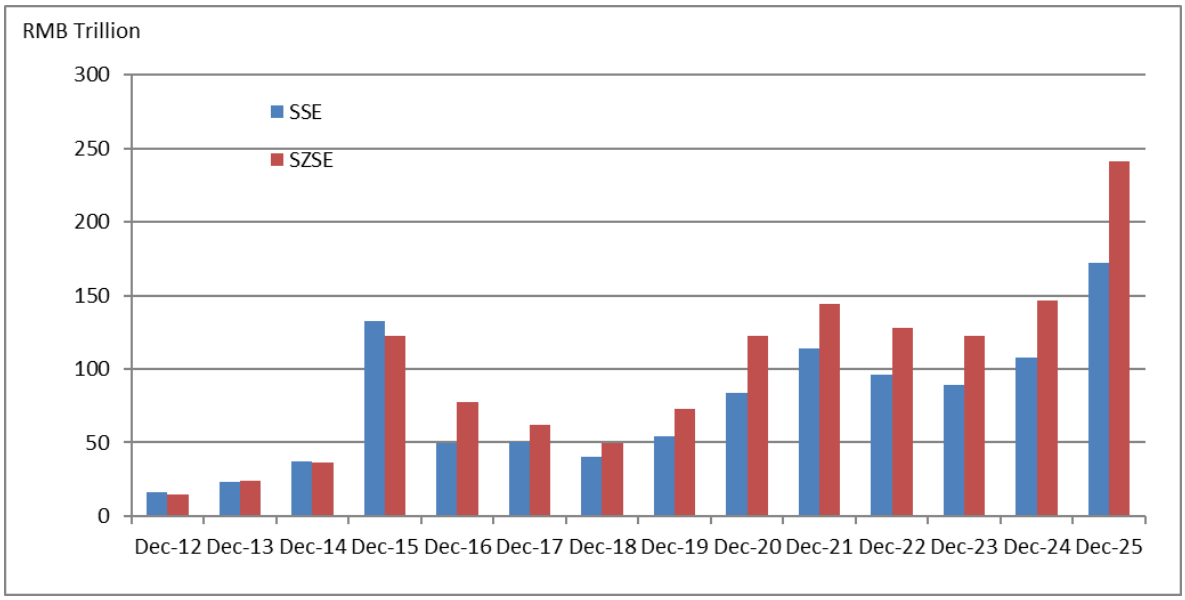
Source: Wind. Data as of 31 December 2025.

Chart 2: A-Share total market capitalization of both the SSE and SZSE



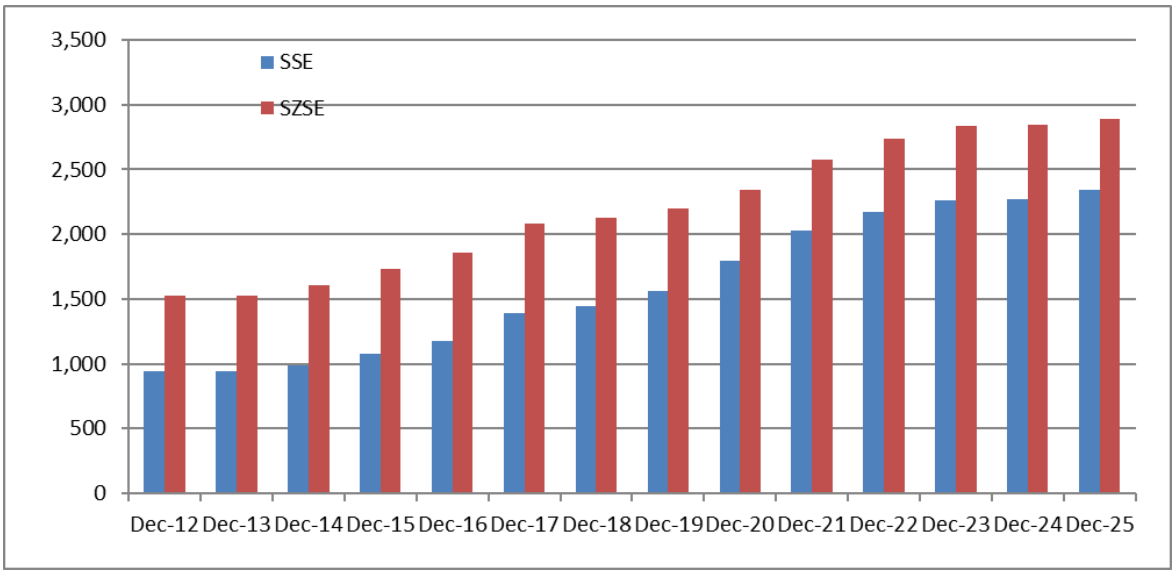
Data source: SSE and SZSE; as of 31 December 2025.

Chart 3: A-Share annual trading volumes (turnover) of both the SSE and SZSE



Data source: SSE and SZSE; as of 31 December 2025.

Chart 4: Number of A-Share companies listed on both the SSE and SZSE



Data source: SSE and SZSE; as of 31 December 2025.

Differences with Hong Kong's stock market

The following table summarises the differences between the Hong Kong and A-Share markets:

	PRC		**Hong Kong**
Key indexes	SHCOMP / SZCOMP	ChiNext / STAR 50	HSI / HSCEI
Trading band limits	10% (5% for ST/S stocks*) after first five trading days of the stock	20% after first five trading days of the stock	No Limit
Trading lots	One hundred (100) (no less than two hundred (200) for SSE STAR Board) shares for BUY / one (1) share for SELL**		Each stock has its own individual board lot size (an online broker will usually display this along with the stock price when you get a quote); purchases in amounts which are not multiples of the board lot size are done in a separate "odd lot market".
Trading hours	pre-open: 0915-0925 morning session: 0930-1130 afternoon session: 1300-1500 (1457-1500 is closing auction for the SZSE)	pre-open: 0915-0925 morning session: 0930-1130 afternoon session: 1300-1500 after-hours fixed-price trading: 1505-1530 (orders shall be placed between 0915 and 1130 (for morning session) and 1300 and 1530 (for afternoon session)	pre-open order input: 0900-0915 pre-order matching 0915-0920 order matching: 0920-0928 morning session: 0930-1200 afternoon session: 1300-1600
Settlement	T+1		T+2
Earnings reporting requirements	Annual report: • Full annual report must be disclosed within four (4) months after the reporting period. Interim report:		Annual report: • Earnings must be disclosed within three (3) months after the reporting period;

	• Full report must be disclosed within two (2) months after the reporting period. Quarterly report: • Full report must be disclosed within one (1) month after the reporting period. The first quarterly report cannot be disclosed before last year's annual report.	• Full annual report must be disclosed within four (4) months after the reporting period. Interim report: • Earnings must be disclosed within two (2) months after the reporting period; • Full report must be disclosed within three (3) months after the reporting period.

Note:

** 1) ST stocks refer to special treatment stocks, which means special treatment for companies with financial problems (consecutive two (2) fiscal years loss or audited net assets per share less than par value in the most recent fiscal year), effective from 22 April 1998. Stocks with ST usually means they have delisting risk.*

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

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

The STAR Board

Overview of the SSE and the STAR Board

The table below summarises the market data of the main board of the SSE and the STAR Board as of 31 December 2025:

	Main Board	**STAR Board**
No. of stocks	1,740	600
Market capitalisation (RMB million)	54,457,547	10,319,557
Average daily turnover for December 2025 (RMB million)	590,838	184,465
Average price-earnings ratio	14.81	67.04
Average daily turnover ratio for December 2025	1.10%	1.86%

Listing requirements of the STAR Board

Generally, the requirements for companies seeking to list on the STAR Board are less stringent than the requirements for companies seeking to list on the main board. The key differences in the respective listing requirements are summarised below:

	Main Board	**STAR Board**
Targeted companies	Large mature companies	Growing sci-tech innovation companies
Business continuity	No major changes have occurred in the main business, directors and senior managers in the last 3 years	No major adverse changes have occurred in the main business and directors, senior managers and core technical personnel in the last 2 years
Profitability	• Profitable in the last 3 consecutive financial years, with aggregate net profits more than RMB 30 million. The net profit shall be based on the lower of the amounts before and after the deduction of non-recurring gains and losses; or • Accumulated total operating revenue in the last 3 consecutive financial years, exceeds RMB 300 million	• The Company meets the issuance conditions prescribed by the China Securities Regulatory Commission • Based on estimated market value, revenue, net income, research and development ("R&D") investment, cash flow and other factors • 5 sets of listing standards (see below table)
Cash flow	Cumulative net cash flow from operating activities in the last three financial years exceeds RMB 50 million	
Net asset	• Intangible assets account for no more than 20% of net assets at the end of the latest period	

The below table sets out the listing standards of the STAR Board:

Financial Indicators	1. Market value, net profit, (operating revenue)		2. Estimated market value, operating revenue, total share of R&D investment	3. Estimated market value, operating revenue, net cash flow from operation	4. Estimated market value, operating revenue	5. Estimated market value, other indicators
Estimated market value	Not less than RMB 1 billion		Not less than RMB 1.5 billion	Not less than RMB 2 billion	Not less than RMB 3 billion	Not less than RMB 4 billion
Net profits	Positive net profit for the	Positive net profit	Not applicable	Not applicable	Not applicable	The main business or products need to be

	last 2 years; cumulative net profit no less than RMB 50 million	for the last year				approved by the relevant state departments.The market is huge, and the issuer has achieved initial progress.Pharmaceutical companies need at least one core product approved for phase II clinical trials. Other companies that meet the positioning of the STAR Market should have obvious technical advantages and meet the corresponding conditions.
Operating revenue	Not applicable	No less than RMB 100 million in the last year	No less than RMB 200 million in the last year	No less than RMB 300 million in the last year	No less than RMB 300 million in the last year	
R&D investment	Not applicable	Not applicable	R&D investment accounts for no less than 15% in the accumulative operating revenue in the last 3 years	Not applicable	Not applicable	
Net cash flow from operation	Not applicable	Not applicable	Not applicable	No less than RMB 100 million in the last 3 years	Not applicable	

The below table sets out the listing standards for red-chip companies. Where an applicant applies for listing on the STAR Board, its market value and financial figures shall meet at least one of the following criteria:

	Large red-chip companies listed abroad		Large unlisted red-chip companies		
Market value / estimated market value	The market value is no less than RMB 200 billion.	The market value is no less than RMB 20 billion.	The estimated market value is no less than RMB 20 billion.	The estimated market value is no less than RMB 10 billion.	The estimated market value is no less than RMB 5 billion.
Operating revenue	Not applicable	Not applicable	The operating income is no less than RMB 3 billion in the latest year.	Not applicable	The operating income is no less than RMB 500 million in the latest year.
Other indicators	Not applicable	The Company possesses independently developed technologies that are internationally leading, demonstrates strong technological innovation capabilities, and maintains a relatively competitive advantage within the	Not applicable	The Company possesses independently developed technologies that are internationally leading, and maintains a relatively competitive advantage within the industry.	

		industry.		

THE OFFERING PHASES

Creation

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

(a) buy and sell Units on the SEHK; or

(b) apply for cash creation and cash redemption of Units through Participating Dealers.

Buying and selling of Units on the SEHK

All investors can buy and sell Units in Trading Board Lot Size (as described in the section "Summary") or whole multiples thereof like ordinary listed stocks through an intermediary such as a stockbroker or through any of the share dealing services offered by banks or other financial advisers at any time the SEHK is open. The Trading Board Lot Size is currently one hundred (100) Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from Net Asset Value per Unit due to market demand and supply, liquidity and scale of trading spread for the Units in the secondary market. As a result, the market price of the Units in the secondary market may be higher or lower than Net Asset Value per Unit.

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

Creations and redemptions through Participating Dealers

Units will continue to be created by cash creation (in RMB only) and redeemed by cash redemption (in RMB only) at the Issue Price and Redemption Value respectively through Participating Dealers in Application Unit size or multiples thereof. The Application Unit size of the Sub-Fund is currently 300,000 Units.

To be dealt with on a Dealing Day, the relevant Participating Dealer must submit a Creation Application to the Registrar (with a copy to the Manager and the Trustee) before the Dealing Deadline on the relevant Dealing Day. The current Dealing Deadline is 10:45 a.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK or the SSE are changed. If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. Participating Dealers are under no obligation to create or redeem generally or for their clients and may charge their clients such fee or fees as such Participating Dealers determine.

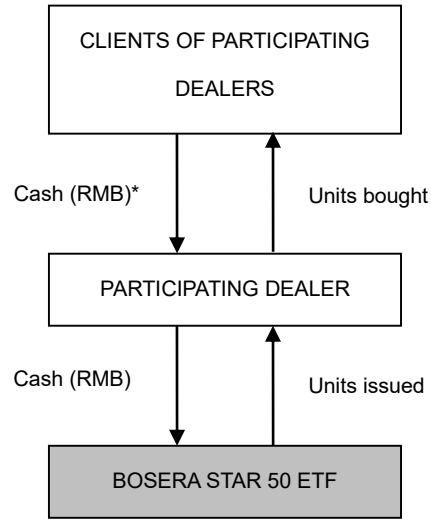
Settlement in cash for subscribing Units is due by such time as agreed in the Operating Guidelines on the relevant Dealing Day or for redeeming Units is due two (2) Business Days after the Dealing Day, unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case. Notwithstanding the Dual Counter for Units, all settlement for creation and redemption of Units shall be in RMB only.

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

Diagrammatic illustration of investment in the Bosera STAR 50 ETF

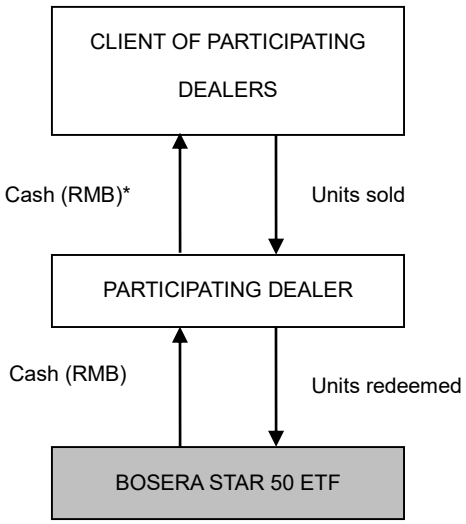
The diagrams below illustrate the issue or redemption and the buying or selling of Units:

(a) Issue and buying of Units in the primary market



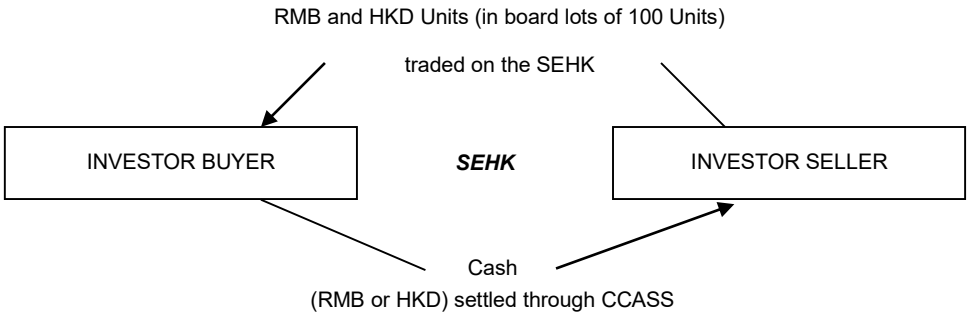
* *Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.*

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



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

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



Summary of offering methods and related fees

Method of Acquisition or Disposal of Units	**Minimum Number of Units (or multiple thereof)**	**Channel**	**Available to**	**Consideration, Fees and Charges***
Purchase and sale in cash through brokers on the SEHK (secondary market) in HKD or in RMB	Board lot of 100 Units for HKD traded Units and 100 Units for RMB traded Units	On the SEHK	Any investor	Market price of Units on SEHK (RMB for RMB traded Units and HKD for HKD traded Units) Brokerage fees and Duties and Charges (payable in HKD or as agreed with brokers)
Cash creation and cash redemption (RMB only)	300,000 (Application Unit)	Through Participating Dealers only	Any person acceptable to the Participating Dealer as its client	Cash (payable in RMB only unless the Participating Dealer otherwise agrees) Transaction Fee (payable in RMB) and Service Agent's Fee (payable in HKD) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges (payable in RMB)

* *Please refer to "Fees and Expenses" for further details*

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in the Bosera STAR 50 ETF

There are two (2) methods of making an investment in the Bosera STAR 50 ETF and of disposing of Units to realise an investment in the Bosera STAR 50 ETF.

The first method is to create or to redeem Units in RMB at Net Asset Value directly with the Bosera STAR 50 ETF in the primary market through a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the Bosera STAR 50 ETF. All creation and redemption for all Units must be in RMB. Because of the size of the capital investment (i.e. Application Unit size) required either to create or redeem Units through the Participating Dealer in the primary market, this method of investment is more suitable for institutional investors and market professionals. Participating Dealers are under no obligations to create or redeem Units for their clients and may impose terms, including charges, for handling creation or redemption orders as they determine appropriate, as described in more detail in this section.

The second method is to buy or to sell Units in the secondary market on the SEHK which is more suitable for retail investors. The secondary market price of Units may trade at a premium or discount to the Net Asset Value of the Bosera STAR 50 ETF.

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

Creation of Units through Participating Dealer

Any application for the creation of Units of the Bosera STAR 50 ETF must only be made through a Participating Dealer in RMB in respect of an Application Unit size or whole multiple thereof as set out in the "Summary" section. Investors cannot acquire Units directly from the Bosera STAR 50 ETF. Only Participating Dealers may submit Creation Applications to the Registrar (with a copy to the Manager and the Trustee).

Units in the Bosera STAR 50 ETF are continuously offered through a Participating Dealer, who may apply for them on any Dealing Day commencing on the Listing Date for its own account or for your account as their client(s), in accordance with the Operating Guidelines, by submitting a Creation Application to the Registrar (with a copy to the Manager and the Trustee).

In relation to cash creation of Units, the Manager reserves the right to require the Participating Dealer to pay an additional sum for the purpose of compensating or reimbursing the Bosera STAR 50 ETF for the difference between:

(a) the prices used when valuing the Securities of the Bosera STAR 50 ETF for the purpose of such issue of Units; and

(b) the prices which would be used when acquiring the same Securities if they were acquired by the Bosera STAR 50 ETF with the amount of cash received by the Bosera STAR 50 ETF upon such issue of Units,

if (b) above is greater than (a) above. The Participating Dealer may pass on to the relevant investor such additional sum.

Each Participating Dealer has indicated to the Manager that it will generally accept and submit creation request(s) received from you as its client(s), subject always to (i) mutual agreement between the relevant Participating Dealer and you as to its fees for handling such request(s); (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to create Units for the relevant Participating Dealer on your behalf (please refer to the sub-section on "Creation process" below for the examples of exceptional circumstances under which the Manager shall have the right to reject a Creation Application); and (iv) mutual

agreement between the relevant Participating Dealer and you as to the method of effecting such creation request(s).

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any creation request received from a client under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Units of the Bosera STAR 50 ETF, (ii) the redemption of Units of the Bosera STAR 50 ETF, and/or (iii) the determination of Net Asset Value of the Bosera STAR 50 ETF is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the Index;

(c) where acceptance of the creation request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer and/or any of its Connected Persons; or

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

Requirements relating to creation requests by potential investors

As of the date of this Prospectus, only cash creation is available to the Participating Dealers in respect of the Bosera STAR 50 ETF.

Notwithstanding the Dual Counter, any cash payable by a Participating Dealer in a cash Creation Application must be in RMB.

A Participating Dealer may impose fees and charges in handling any creation request which would increase the cost of investment. You are advised to check with the Participating Dealer as to relevant fees and charges. Although the Manager has a duty to monitor the operations of the Bosera STAR 50 ETF closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such creation requests received from clients. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by a Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any creation request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Creation Application in respect of the Bosera STAR 50 ETF can be submitted by it to the Registrar with a copy to the Manager and the Trustee. You are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Unit size for the Bosera STAR 50 ETF is 300,000 Units. Creation Applications submitted in respect of Units other than in Application Unit size or whole multiples thereof will not be accepted. The minimum subscription for the Bosera STAR 50 ETF is one Application Unit.

Creation process

A Participating Dealer may from time to time submit Creation Applications in respect of the Bosera STAR 50 ETF to the Registrar, with a copy to the Manager and the Trustee, following receipt of creation requests from clients or where it wishes to create Units of the Bosera STAR 50 ETF for its own account.

If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. The current Dealing Deadline is 10:45 a.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK or the SSE are reduced.

To be effective, a Creation Application must:

(a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Units and the class of Units (where applicable) which is the subject of the Creation Application; and

(c) include the certifications required in the Participation Agreement (if any) and the Operating Guidelines (if any) in respect of creations of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable Securities and other laws in relation to the creation of Units which are the subject of the Creation Application.

The Manager shall have the right to reject, acting in good faith, any Creation Application under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Units of the Bosera STAR 50 ETF, (ii) the redemption of Units of the Bosera STAR 50 ETF, and/or (iii) the determination of Net Asset Value of the Bosera STAR 50 ETF is suspended;

(b) where in the opinion of the Manager, acceptance of the Creation Application would have an adverse effect on the Bosera STAR 50 ETF;

(c) where in the opinion of the Manager, acceptance of the Creation Application would have a material impact on the A-Share market;

(d) the Manager no longer has the RQFII status to satisfy the Creation Application;

(e) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the Index;

(f) where acceptance of the Creation Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager and/or any of its Connected Persons;

(g) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application;

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

(i) during any period when the business operations of the Manager, the Trustee, the Custodian or the PRC Custodian are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the Trustee of its decision to reject such Creation Application in accordance with the Operating Guidelines.

The Manager's right to reject a Creation Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any creation request received from a client of the Participating Dealer under exceptional circumstances. Notwithstanding a Participating Dealer has accepted creation requests from its clients and in that connection submitted an effective Creation Application, the Manager may exercise its rights to reject such Creation Application in the circumstances described herein.

Where for any reason there is a limit to the number of Units which can be created, priority will be given to Participating Dealers and the relevant Creation Applications as set out in the Operating Guidelines.

Where the Manager accepts a Creation Application from a Participating Dealer, it shall instruct the Trustee to effect (i) for the account of the Bosera STAR 50 ETF, the creation of Units in Application Unit size in exchange for a transfer of cash; and (ii) the issue of Units to the Participating Dealer, both in accordance with the Operating Guidelines and the Trust Deed.

Issue of Units

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

No fractions of a Unit shall be created or issued by the Trustee.

The creation and issue of Units pursuant to a Creation Application shall be effected on the Dealing Day on which the Creation Application is received (or deemed received) and accepted in accordance with the Operating Guidelines but (i) for valuation purposes only, Units shall be deemed created and issued after the Valuation Point on the Dealing Day on which the relevant Creation Application was received or deemed received, and (ii) the register will be updated on Settlement Day or the Dealing Day or immediately following Settlement Day or, if the settlement period is extended, the relevant Settlement Date. If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. An Extension Fee may be payable in relation to such an extension. See the section on "Fees and Expenses" for further details.

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

Fees relating to Creation Applications

The Service Agent, the Registrar and/or the Trustee may charge a Transaction Fee in respect of Creation Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the Bosera STAR 50 ETF). The Transaction Fee shall be paid by or on behalf of the Participating Dealer applying for such Units. See the section on "Fees and Expenses" for further details.

Any commission, remuneration or other sum payable by the Manager to any agent or other person in respect of the issue or sale of any Unit shall not be added to the Issue Price of such Unit and shall not be paid from the assets of the Bosera STAR 50 ETF.

Cancellation of Creation Applications

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

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

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

Upon the cancellation of any creation order of any Units deemed created pursuant to a Creation Application as provided for above or if a Participating Dealer otherwise withdraws a Creation Application (other than in certain circumstances contemplated in the Trust Deed such as where the Manager declares a suspension of creations of Units), any cash received by or on behalf of the Trustee in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) as soon as practicable and the relevant Units shall be deemed for all purposes never to have been created and the Participating Dealer shall have no right or claim against the Manager, the Trustee and/or the Service Agent in respect of such cancellation provided that:

(a) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section on “Fees and Expenses” for further details);

(b) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the Bosera STAR 50 ETF, in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Value which would have applied in relation to each such Unit if the Participating Dealer had, on the date on which such Units are cancelled, made a Redemption Application, together with charges, expenses and losses incurred by the Bosera STAR 50 ETF as a result of such cancellation;

(c) the Transaction Fee in respect of such Creation Application shall remain due and payable (notwithstanding that the Creation Application shall be deemed to never have been made) and once paid shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section on “Fees and Expenses” for further details); and

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

Redemption of Units through a Participating Dealer

Any application for the redemption of Units of the Bosera STAR 50 ETF must only be made through a Participating Dealer in respect of an Application Unit size or whole multiples thereof. Investors cannot redeem Units directly from the Bosera STAR 50 ETF. Only Participating Dealers may submit Redemption Applications to the Registrar (with a copy to the Manager and the Trustee).

A Participating Dealer may redeem Units on any Dealing Day for its own account or for the account of its clients in accordance with the Operating Guidelines, by submitting a Redemption Application to the Registrar (with a copy to the Manager and the Trustee).

In relation to cash redemption of Units as described above, the Manager reserves the right to require the Participating Dealer to pay an additional sum for the purpose of compensating or reimbursing the Bosera STAR 50 ETF for the difference between:

(a) the prices used when valuing the Securities of the Bosera STAR 50 ETF for the purpose of such redemption of Units; and

(b) the prices which would be used when selling the same Securities if they were sold by the Bosera STAR 50 ETF in order to realize the amount of cash required to be paid out of the Bosera STAR 50 ETF upon such redemption of Units,

if (b) above is less than (a) above. The Participating Dealer may pass on to the relevant investor such additional sum.

Each Participating Dealer has indicated to the Manager that it will generally accept and submit redemption request(s) received from you as its client(s), subject always to (i) mutual agreement between the relevant Participating Dealer and you as to its fees for handling such request(s); (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to redeem Units for the relevant Participating Dealer on your behalf (please refer to the sub-section on "Redemption process" below for the examples of exceptional circumstances under which the Manager shall have the right to reject a Redemption Application); and (iv) mutual agreement between the relevant Participating Dealer and you as to the method of effecting such redemption request(s).

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Units of the Bosera STAR 50 ETF, (ii) the redemption of Units of the Bosera STAR 50 ETF, and/or (iii) the determination of Net Asset Value of the Bosera STAR 50 ETF is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the Index;

(c) where acceptance of the redemption request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer and/or any of its Connected Persons; or

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

Requirements relating to redemption requests by potential investors

As of the date of this Prospectus, only cash redemption is available to the Participating Dealers in respect of the Bosera STAR 50 ETF.

Notwithstanding the Dual Counter, any cash proceeds received by a Participating Dealer in a cash Redemption Application shall be paid only in RMB. Both RMB traded Units and HKD traded Units may be redeemed by way of a Redemption Application (through a Participating Dealer). Where a Participating Dealer wishes to redeem HKD traded Units the redemption process is the same as for RMB traded Units.

A Participating Dealer may impose fees and charges in handling any redemption request which would increase the cost of investment and/or reduce the redemption proceeds. You are advised to check with the Participating Dealer as to relevant fees and charges. Although the Manager has a duty to monitor the operations of the Bosera STAR 50 ETF closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such redemption requests received from clients. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by a Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any redemption request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Redemption Application in respect of the Bosera STAR 50 ETF can be submitted by it to the Registrar (with a copy to the Manager and the Trustee). You are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

Redemption process

A Participating Dealer may from time to time submit Redemption Applications in respect of the Bosera STAR 50 ETF to the Manager, following receipt of redemption requests from clients or where it wishes to redeem Units of the Bosera STAR 50 ETF for its own account.

If a Redemption Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. The current Dealing Deadline is 10:45 a.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK or the SSE are reduced.

To be effective, a Redemption Application must:

(a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Units and the class of Units (where applicable) which is the subject of the Redemption Application; and

(c) include the certifications required in the Participation Agreement (if any) and Operating Guidelines (if any) in respect of redemptions of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of Units which are the subject of the Redemption Application.

The Manager shall have the right to reject, acting in good faith, any Redemption Application under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Units of the Bosera STAR 50 ETF, (ii) the redemption of Units of the Bosera STAR 50 ETF, and/or (iii) the determination of Net Asset Value of the Bosera STAR 50 ETF is suspended;

(b) where in the opinion of the Manager, acceptance of the Redemption Application would have an adverse effect on the Bosera STAR 50 ETF;

(c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the Index;

(d) where acceptance of the Redemption Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager and/or any of its Connected Persons;

(e) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Redemption Application; or

(f) during any period when the business operations of the Manager, the Trustee, the Custodian or the PRC Custodian are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the Trustee of its decision to reject such Redemption Application in accordance with the Operating Guidelines.

The Manager's right to reject a Redemption Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances. Notwithstanding a Participating Dealer has accepted redemption requests from clients and in that connection submitted an effective Redemption Application, the Manager may exercise its rights to reject such Redemption Application in the circumstances described herein.

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

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

Redemption of Units

Any accepted Redemption Application will be effected on the Settlement Day provided that a Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Manager and the Trustee) has been received and provided further that the Trustee shall have received (unless otherwise provided in the Operating Guidelines) the original (and not a faxed copy) of the certificates (if any) representing the Units to be cancelled (or an indemnity in terms acceptable to the Trustee) and the full amount of any amount payable by the Participating Dealer including the Transaction Fee and any other Duties and Charges have been either deducted or otherwise paid in full.

For valuation purposes only, Units shall be deemed to have been redeemed and cancelled after the Valuation Point on the Dealing Day on which the Redemption Application was received or deemed received. The name of the Unitholder of such Units shall be removed from the Register in respect of those Units redeemed and cancelled on the relevant Settlement Day.

The Redemption Value of Units tendered for redemption shall be the Net Asset Value per Unit of the Bosera STAR 50 ETF rounded to the nearest four decimal places (0.00005 or above being rounded up). The benefit of any rounding adjustments will be retained by the Bosera STAR 50 ETF. For the purpose of valuation, the relevant Valuation Point shall be the Valuation Point for the Dealing Day on which the Redemption Application is treated as having been received.

The interval between the receipt of a properly documented Redemption Application and payment of redemption proceeds (which shall be paid in RMB only) may not exceed one calendar month provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value or dealing in Units is not suspended.

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

Fees relating to Redemption Applications

The Service Agent, the Registrar and/or the Trustee may charge a Transaction Fee in respect of Redemption Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the Bosera STAR 50 ETF). The Transaction Fee shall be paid by or on behalf of the Participating Dealer submitting the Redemption Application(s) (and may be set off and deducted against any amount due to the Participating Dealer in respect of such Redemption Application(s)) for the benefit of the Trustee, the Registrar and/or the Service Agent. See the section on "Fees and Expenses" for further details.

The Trustee may deduct from the redemption proceeds such sum (if any) as the Trustee may consider represents an appropriate provision for the Transaction Fee and/or other Duties and Charges.

Cancellation of Redemption Applications

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

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

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

(a) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section on "Fees and Expenses" for further details);

(b) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the Bosera STAR 50 ETF, in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if the Participating Dealer had, on the actual date when the Manager is able to repurchase any replacement Securities, made a Creation Application in accordance with the provisions of the Trust Deed plus such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the Bosera STAR 50 ETF as a result of such cancellation;

(c) the Transaction Fee in respect of such Redemption Application shall remain due and payable (notwithstanding that the Redemption Application shall be deemed to never have been made) and once paid, shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section on "Fees and Expenses" for further details); and

(d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

Deferred redemption

In the event that redemption requests are received for the redemption of Units representing in aggregate more than 10% (or such higher percentage as the Manager may determine in respect of the Bosera STAR 50 ETF and as permited by the SFC) of the total number of Units in the Bosera STAR 50 ETF then in issue, the Manager may direct the Trustee to reduce the requests rateably and pro rata amongst all Unitholders seeking to redeem Units on the relevant Dealing Day and

carry out only sufficient redemptions which, in aggregate, amount to 10% (or such higher percentage as the Manager may determine in respect of the Bosera STAR 50 ETF) of the Units in the Bosera STAR 50 ETF then in issue. Units which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day subject to further deferral if the deferred requests in respect of the Bosera STAR 50 ETF themselves exceed 10% (or such higher percentage as the Manager may determine in respect of the Bosera STAR 50 ETF) of the Units in the Bosera STAR 50 ETF then in issue) in priority to any other Units in the Bosera STAR 50 ETF for which redemption requests have been received. Units will be redeemed at the Redemption Value prevailing on the Dealing Day on which they are redeemed.

Suspension of creations and redemptions

The Manager may, at its discretion, after consultation with the Trustee (and where practicable, after consultation with Participating Dealers) having regard to the best interests of the Unitholders, suspend the creation or issue of Units of the Bosera STAR 50 ETF, suspend the redemption of Units of the Bosera STAR 50 ETF and/or (subject to all applicable legal or regulatory requirements where payment of redemption monies exceeds one calendar month) delay the payment of any monies in respect of any Creation Application or Redemption Application in the following circumstances:

(a) during any period when trading on the SEHK or any other Recognised Stock Exchange or Recognised Futures Exchange is restricted or suspended;

(b) during any period when a market on which a Security (that is a component of the Index) has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

(c) during any period when dealing on a market on which a Security (that is a component of the Index) has its primary listing is restricted or suspended;

(d) during any period when, in the opinion of the Manager, settlement or clearing of Securities in the official clearing and settlement depositary (if any) of such market is disrupted;

(e) during the existence of any state of affairs as a result of which delivery or purchase of Securities, as appropriate or disposal of investments for the time being comprised in the Bosera STAR 50 ETF cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the Bosera STAR 50 ETF;

(f) during any period when the Index is not compiled or published;

(g) during any breakdown in any of the means normally employed in determining the Net Asset Value of the Bosera STAR 50 ETF or when for any other reason the value of any Securities or other property for the time being comprised in the Bosera STAR 50 ETF cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(h) during any period when the determination of the Net Asset Value of the Bosera STAR 50 ETF is suspended or if any circumstance specified in the section on “Suspension of determination of Net Asset Value” below arises; or

(i) during any period when the business operations of the Manager, the Trustee, the Custodian or the PRC Custodian are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

The Manager will, after consultation with the Trustee, having regard to the best interests of the Unitholders, suspend the right to subscribe for Units of the Bosera STAR 50 ETF if, or if as a result of the investment of the proceeds of issue of such Units in accordance with its investment objective, the Trust collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single issuer or such other percentage permitted under Schedule 1. In addition, where the

sub-funds under the Trust hold in aggregate more than the limit of 10% of the ordinary shares issued by any single issuer and the SFC has not agreed to waive this prohibition under the Code, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy the situation, taking due account the interests of the Unitholders.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on its website at www.bosera.com.hk/STAR50 (the contents of which has not been reviewed by the SFC) or in such other publications as it decides.

The Manager shall consider any Redemption Application or any Creation Application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for settlement of any redemption will be extended by a period equal to the length of the period of suspension.

A Participating Dealer may, at any time after a suspension has been declared and before termination of such suspension, withdraw any Creation Application or Redemption Application by notice in writing to the Manager and the Manager shall promptly notify and request the Trustee to return to the Participating Dealer any cash received by it in respect of the Creation Application (without interest) as soon as practicable.

A suspension shall remain in force until the earlier of (a) the Manager declaring the suspension is at an end; and (b) the first Dealing Day on which (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised exists.

Evidence of unitholding

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

Restrictions on Unitholders

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

(a) a breach of the law or requirements of any country or governmental authority or any stock exchange on which the Units are listed in circumstances which, in the Manager's opinion, might result in the Trust or the Bosera STAR 50 ETF suffering any adverse effect which the Trust or the Bosera STAR 50 ETF might not otherwise have suffered; or

(b) in the circumstances which, in the Manager’s opinion, may result in the Trust or the Bosera STAR 50 ETF incurring any tax liability or suffering any other pecuniary disadvantage which the Trust or the Bosera STAR 50 ETF might not otherwise have incurred or suffered.

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

Transfer of Units

The Trust Deed provides that a Unitholder may transfer Units with the consent of the Manager. As all Units will be held in CCASS, the Manager's consent is deemed given where the Unitholder is transferring his interest in Units within CCASS. A Unitholder is entitled to transfer Units held by him by using the standard transfer form issued by SEHK or by an instrument in writing in such other form (and if the transferor or the transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution) as the Trustee may from time to time approve. The transferor will be deemed to remain the Unitholder of the Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Units being transferred. If and to the extent that all Units are deposited, cleared and settled in CCASS, HKSCC Nominees Limited will be the sole Unitholder, holding such Units for the persons admitted by HKSCC as a participant of CCASS and to whose account any Units are for the time being allocated in accordance with the General Rules of HKSCC.

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

General

Units traded in HKD and Units traded in RMB will each trade on the SEHK in board lots of 100 Units. Participating Dealers should note that they will not be able to sell or otherwise deal in the Units (in either the HKD or the RMB counter) on the SEHK until dealings begin on the SEHK.

The purpose of the listing of the Units on the SEHK is to enable investors to buy and sell Units on the secondary market, normally via a broker or dealer in smaller quantities than would be possible if they were to subscribe and/or redeem Units in the primary market.

The market price of a Unit listed or traded in either counter (HKD or RMB) on the SEHK may not reflect the Net Asset Value per Unit. Any transactions in the Units in either counter (HKD or RMB) on the SEHK will be subject to the customary brokerage commissions and/or transfer taxes associated with the trading and settlement through the SEHK. There can be no guarantee that once the Units in either counter (HKD or RMB) are listed on the SEHK they will remain listed.

The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for Units traded in RMB and at least one Market Maker will maintain a market for Units traded in HKD (although the Market Maker for both counters may be the same entity). Broadly, the obligations of a Market Maker will include quoting bid and offer prices on the SEHK with the intention of providing liquidity. Given the nature of the Market Maker's role, the Manager will make available to a Market Maker, the portfolio composition information made available to a Participating Dealer.

Units in either counter (HKD or RMB) may be purchased from and sold through the Market Makers. However, there is no guarantee or assurance as to the price at which a market will be made. In maintaining a market for Units in either counter (HKD or RMB), the relevant Market Makers may make or lose money based on the differences between the prices at which they buy and sell Units, which is to a certain extent dependent on the difference between the purchase and sale prices of the underlying Securities comprised within the Index. Market Makers may retain any profits made by them for their own benefit and they are not liable to account to the Bosera STAR 50 ETF in respect of their profits.

If you wish to buy or sell Units in either counter (HKD or RMB) on the secondary market, you should contact your brokers.

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

Renminbi Equity Trading Support Facility

The Renminbi Equity Trading Support Facility (the "TSF") was launched on 24 October 2011 by the Hong Kong Exchanges and Clearing Limited ("HKEx") to provide a facility to enable investors who wish to buy RMB-traded shares (RMB shares) in the secondary market with Hong Kong dollars if they do not have sufficient RMB or have difficulty in obtaining RMB from other channels. With effect from 6 August 2012, the coverage of TSF was extended and the Bosera STAR 50 ETF is eligible for the TSF. As such the TSF is currently available to investors who wish to invest in the Bosera STAR 50 ETF by purchasing Units trading in RMB on the SEHK. Investors should consult their financial advisers if they have any questions concerning the TSF. More information with regard to the TSF is available on HKEx's website http://www.hkex.com.hk/eng/market/sec_tradinfra/TSF/TSF.htm.

Dual Counter

The Manager has arranged for the Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in RMB. Despite the Dual Counter arrangement the creation of new Units and redemption of Units in the primary market are settled in RMB only. The Bosera STAR 50 ETF offers two trading counters on the SEHK (i.e. RMB

counter and HKD counter) to investors for secondary trading purposes. Units traded in RMB counter will be settled in RMB and units traded in HKD counter will be settled in HKD. Apart from settlement in different currencies, the trading prices of Units in the two counters may be different.

Units traded on both counters are of the same class and all unit holders of both counters are treated equally. The two counters will have different stock codes and stock short names, but will trade and settle with a single ISIN number as follows: RMB counter and traded Units have a SEHK stock code 82832 and a short name "BOSERA STAR50-R" whilst the HKD counter and traded Units have a SEHK stock code 02832 and a short name "BOSERA STAR50". The ISIN for each of the RMB counter and the HKD counter is HK0000172681.

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in one counter and sell in the other counter provided their brokers provide both HKD and RMB trading services at the same time. Inter-counter buy and sell is permissible even if the trades take places within the same trading day. However, investors should note that the trading price of Units traded in the RMB counter and that of HKD counter may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual Counter, including inter-counter trading. Investors' attention is also drawn to the risk factor below entitled "Dual Counter risks"

DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value of the Bosera STAR 50 ETF will be determined by the Manager in RMB as at each Valuation Point applicable to the Bosera STAR 50 ETF by valuing the assets of the Bosera STAR 50 ETF and deducting the liabilities of the Bosera STAR 50 ETF, in accordance with the terms of the Trust Deed.

Set out below is a summary of how various Securities held by the Bosera STAR 50 ETF are valued:

(a) Securities that are quoted, listed, traded or dealt in on any Market shall unless the Manager (with the consent of the Trustee) determines that some other method is more appropriate, be valued by reference to the price appearing to the Manager to be the official closing price, or if unavailable, the last traded price on the Market as the Manager may consider in the circumstances to provide fair criterion, provided that (i) if a Security is quoted or listed on more than one Market, the Manager shall adopt the price quoted on the Market which in its opinion provides the principal market for such Security; (ii) if prices on that Market are not available at the relevant time, the value of the Securities shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager; (iii) interest accrued on any interest-bearing Securities shall be taken into account, unless such interest is included in the quoted or listed price; and (iv) the Manager and the Trustee shall be entitled to use and rely on electronic price feeds from such source or sources as they may from time to time determine, notwithstanding that the prices so used are not the official closing prices or last traded prices as the case may be;

(b) the value of each interest in any unlisted mutual fund corporation or unit trust shall be the latest available net asset value per share or unit in such mutual fund corporation or unit trust or if not available or appropriate, the last available bid or offer price for such unit, share or other interest;

(c) except as provided for in paragraph (b), the value of any investment which is not listed, quoted or ordinarily dealt in on a Market shall be the initial value thereof equal to the amount expended on behalf of the Bosera STAR 50 ETF in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the Manager may with the approval in writing the Trustee cause a revaluation to be made by a professional person approved by the Trustee as qualified to value such investments (which may, if the Trustee agrees, be the Manager);

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

(e) notwithstanding the foregoing, the Manager with the approval in writing of the Trustee may adjust the value of any investment or permit some other method of valuation to be used if, having regard to relevant circumstances, the Manager considers that such adjustment is required to fairly reflect the value of the investment.

The Trustee will perform any currency conversion at rates as may be agreed between the Trustee and the Manager from time to time.

The above is a summary of the key provisions of the Trust Deed with regard to how the various assets of the Bosera STAR 50 ETF are valued.

Suspension of determination of Net Asset Value

The Manager may, after consultation with the Trustee, having regard to the best interests of the Unitholders, declare a suspension of the determination of the Net Asset Value of the Bosera STAR 50 ETF for the whole or any part of any period during which:

(a) there exists any state of affairs prohibiting the normal disposal and/or purchase of the investments of the Bosera STAR 50 ETF;

(b) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise any Securities held or contracted for the account of the Bosera STAR 50 ETF or it is not possible to do so without seriously prejudicing the interest of Unitholders of Units of the Bosera STAR 50 ETF;

(c) for any other reason the prices of investments of the Bosera STAR 50 ETF cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(d) there is a breakdown in any of the means normally employed in determining the Net Asset Value of the Bosera STAR 50 ETF or the Net Asset Value per Unit of the relevant class or when for any other reason the value of any Securities or other property for the time being comprised in the Bosera STAR 50 ETF cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(e) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the Securities of the Bosera STAR 50 ETF or the subscription or redemption of Units of the Bosera STAR 50 ETF is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange; or

(f) the business operations of the Manager, the Trustee, the Registrar, the Custodian or the PRC Custodian are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, or acts of God.

Any suspension shall take effect upon its declaration and thereafter there shall be no determination of the Net Asset Value of the Bosera STAR 50 ETF and the Manager shall be under no obligation to rebalance the Bosera STAR 50 ETF until the suspension is terminated on the earlier of (i) the Manager declaring the suspension is at an end; and (ii) the first Dealing Day on which (1) the condition giving rise to the suspension shall have ceased to exist; and (2) no other condition under which suspension is authorised exists.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on its website at www.bosera.com.hk/STAR50 (the contents of which has not been reviewed by the SFC) or in such other publications as the Manager decides.

No Units will be issued or redeemed during any period of suspension of the determination of the Net Asset Value.

Issue Price and Redemption Value of Units

The Issue Price of Units created and issued by a Creation Application, will be the prevailing Net Asset Value of the Bosera STAR 50 ETF in RMB as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest four decimal places (0.00005 or above being rounded up).

The Redemption Value on a Dealing Day shall be the prevailing Net Asset Value of the Bosera STAR 50 ETF in RMB as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest four decimal places (0.00005 or above being rounded up).

The benefit of any rounding adjustments will be retained by the Bosera STAR 50 ETF.

The Issue Price and the Redemption Value (or the latest Net Asset Value of the Units) will be available on the Manager's website at www.bosera.com.hk/STAR50 (the contents of which has not been reviewed by the SFC) or published in such other publications as the Manager decides.

Neither the Issue Price nor the Redemption Value takes into account Duties and Charges,

Transaction Fees or fees payable by a Participating Dealer.

FEES AND EXPENSES

There are different levels of fees and expenses applicable to investing in the Bosera STAR 50 ETF as set out below, current as at this date of the Prospectus.

(a) Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Units	**Amount**
Transaction Fee and Service Agent's Fee	RMB8,000[1] per Application and HKD1,000[1] per book-entry deposit and withdrawal transaction
Registrar fee	RMB120 per Application See Note[2]
Application cancellation fee	RMB8,500[3] per Application
Extension Fee	RMB8,500[4] per Application
Stamp duty	Nil
All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable

(b) Fees and expenses payable by investors	**Amount**
(i) Fees payable by clients of the Participating Dealers in respect of creations and redemptions (as applicable) via the Participating Dealer	
Fees and charges imposed by the Participating Dealer[5]	Such amounts as determined by the relevant Participating Dealer
(ii) Fees payable by all investors in respect of dealings in the Units on SEHK	
Brokerage	Market rates
Transaction levy	0.0027%[6]

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1 *RMB8,000 is payable to the Trustee and HKD1,000 is payable to the Service Agent.*

2 *The Transaction Fee of RMB8,000 is payable by a Participating Dealer to the Trustee for the benefit of the Trustee and/or Registrar. The Service Agent's fee of HKD1,000 is payable by a Participating Dealer to the Service Agent. The Registrar will charge a fee for updating the Bosera STAR 50 ETF's records on each Creation Application and Redemption Application and the Service Agent will charge a fee for each book-entry deposit and withdrawal transaction. A Participating Dealer may pass on to the relevant investor such Transaction Fee.*

3 *An application cancellation fee is payable to the Trustee for the account of the Registrar in respect of either a withdrawn or failed Creation Application or Redemption Application.*

4 *An Extension Fee is payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.*

5 *The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.*

6 *Transaction levy of 0.0027% of the trading price of the Units, payable by the buyer and the seller.*

	Accounting and Financial Reporting Council transaction levy	0.00015%[7] of the trading price
	SEHK trading fee	0.00565%[8]
	Stamp duty	Nil
(c)	**Fees and expenses payable by the Bosera STAR 50 ETF**	(See further disclosure below)

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

Fees and expenses payable by the Bosera STAR 50 ETF

Manager's fee

The Manager is entitled to receive out of the assets of the Bosera STAR 50 ETF a management fee of up to 2.00% per year of the Net Asset Value of the Bosera STAR 50 ETF. The current management fee is 1.00% per year of the Net Asset Value of the Bosera STAR 50 ETF. The management fee may be increased up to the maximum on giving one month's notice to the Unitholders.

The Manager may pay a distribution fee to any distributor or sub-distributors of the Trust out of the management fees it receives from the Trust. A distributor may re-allocate an amount of the distribution fee to the sub-distributors.

Trustee's and Registrar's fees

The Trustee is entitled to receive out of the assets of the Bosera STAR 50 ETF a monthly trustee's fee, payable in arrears, accrue daily and calculated as at each Dealing Day of up to 1.00% per year of the Net Asset Value of the Bosera STAR 50 ETF.

The current Trustee's fee is payable monthly in arrears, accrued daily and calculated as at each Dealing Day at the following percentages per year of the Net Asset Value of the Bosera STAR 50 ETF: 0.14% of the Net Asset Value if the Net Asset Value equals or is less than RMB200 million, 0.12% of the portion on top of RMB200million, subject to a minimum fixed fee of RMB30,000 per month.

In summary the Trustee's fees equal the following percentages per year of the Net Asset Value:

First RMB200 million	0.14%
Portion on top of RMB 200 million	0.12%
Monthly minimum	RMB30,000

The Trustee will bear the fees of the Custodian and the PRC Custodian. The Custodian's fees (and those of the PRC Custodian) are paid by the Trustee and are not borne by the Bosera STAR 50 ETF.

The Trustee is also entitled to receive from each Participating Dealer an administrative transaction fee of RMB8,000 per Participating Dealer per Application for handling any cash

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[7] *Accounting and Financial Reporting Council transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.*

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

creation and redemption of Units

The Registrar is entitled to receive from each Participating Dealer a registrar fee of RMB120 per Participating Dealer per Application for updating of the register record of the Bosera STAR 50 ETF.

The Trustee and the Registrar shall be entitled to be reimbursed out of the assets of the Bosera STAR 50 ETF all out-of-pocket expenses incurred.

Service Agent's fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the Manager. The Manager shall pass on to the Bosera STAR 50 ETF such reconciliation fee.

For any period less than a month, the reconciliation fee is on a pro-rata basis and accrues on a daily basis. The Trustee, on behalf of the Bosera STAR 50 ETF, will pay all other expenses chargeable by the Service Agent in connection with the Service Agent's role.

Promotional expenses

The Bosera STAR 50 ETF will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Bosera STAR 50 ETF will not be paid (either in whole or in part) out of the Trust Fund.

Other expenses

The Bosera STAR 50 ETF will bear all operating costs relating to the administration of the Bosera STAR 50 ETF including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, index licensing fees, the costs in connection with maintaining a listing of the Units on the SEHK and maintaining the Trust's and the Bosera STAR 50 ETF's authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Bosera STAR 50 ETF by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, printing and distributing annual and half-yearly financial reports and other circulars relating to the Bosera STAR 50 ETF and the expenses of publishing Unit prices.

Establishment costs

The cost of establishing the Trust and the Bosera STAR 50 ETF including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs are estimated to be RMB2 million and was borne by the Bosera STAR 50 Index (unless otherwise determined by the Manager) and has been amortised over the first five (5) financial years of the Bosera STAR 50 Index or such other period as determined by the Manager after consulting the Auditor.

On 18 February 2021, the underlying index of the Bosera STAR 50 ETF was changed from the FTSE China A50 Index to the SSE Science and Technology Innovation Board 50 Index. Costs associated with the change of underlying index of the Bosera STAR 50 ETF are estimated to be approximately HKD500,000 and will be borne by the the Bosera STAR 50 ETF. These costs will be amortised over the first two financial years of the the Bosera STAR 50 ETF from 18 February 2021 or such other period as determined by the Manager after consulting the Auditor, subject to the cap on ongoing charges over a year (currently at 0.88% of the average net asset value of the Bosera STAR 50 ETF).

Increase in fees

The current fees payable to the Manager and the Trustee as described above may be increased on one month's notice to Unitholders (or such shorter period as approved by the SFC), subject to the maximum rates set out in the Trust Deed.

RISK FACTORS

An investment in the Bosera STAR 50 ETF carries various risks. Each of these may affect the Net Asset Value, yield, total return and trading price of the Units. There can be no assurance that the investment objective of the Bosera STAR 50 ETF will be achieved. You should carefully evaluate the merits and risks of an investment in the Bosera STAR 50 ETF in the context of your overall financial circumstances, knowledge and experience as an investor. The risk factors set forth below are the risks which are believed by the Manager and its directors to be relevant and presently applicable to the Bosera STAR 50 ETF.

Rebalancing Risk

On 18 February 2021, the underlying index of the Bosera STAR 50 ETF was changed from the FTSE China A50 Index (the "Previous Index") to the SSE Science and Technology Innovation Board 50 Index. The rebalancing of assets held by the Bosera STAR 50 ETF as a result of the change of underlying index is anticipated to take place over a period of up to 5 trading days (the "Rebalancing Period"). During the Rebalancing Period, holdings of the Bosera STAR 50 ETF will be rebalanced from constituents of the Previous Index to constituents of the Index. Given the substantial difference in the investment universe between the Previous Index and the Index, the Manager considers there is a risk that the tracking error and tracking difference of the Bosera STAR 50 ETF during the Rebalancing Period may increase. Investors who deal with Units of the Bosera STAR 50 ETF during the Rebalancing Period should exercise caution.

Past Performance Risk

As a result of the change in underlying index of the Bosera STAR 50 ETF on 18 February 2021, past performance of the Bosera STAR 50 ETF prior to 18 February 2021 is achieved under circumstances which will no longer apply from 18 February 2021. Investors should exercise caution when considering the past performance of the Bosera STAR 50 ETF prior to 18 February 2021.

Risks associated with the RQFII regime

RQFII systems risk

The current RQFII Regulations include rules on investment restrictions applicable to the Bosera STAR 50 ETF. Transaction sizes for RQFIIs are relatively large (with the corresponding heightened risk of exposure to decreased market liquidity and significant price volatility leading to possible adverse effects on the timing and pricing of acquisition or disposal of securities).

Onshore PRC Securities are registered in the joint names of the Manager (as RQFII holder) and the Bosera STAR 50 ETF in accordance with the relevant rules and regulations, and maintained in electronic form via a securities account with the CSDCC. The account is required to bear the name of "Bosera Asset Management (International) Co., Limited" as this is the name under which the RQFII is approved by the relevant regulator. The RQFII selects a PRC broker (the "PRC Broker") to act on its behalf in each of the two onshore PRC Securities markets as well as the PRC Custodian to maintain its assets in custody in accordance with the terms of the PRC Custodian Agreement.

In the event of any default of either the relevant PRC Broker or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC, the Bosera STAR 50 ETF may encounter delays in recovering its assets which may in turn adversely impact the net asset value of the Bosera STAR 50 ETF.

In extreme circumstances, the Bosera STAR 50 ETF may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to RQFII investment restrictions, illiquidity of the PRC's securities markets, and delay or disruption in execution of trades or in settlement of trades.

The regulations which regulate investments by RQFIIs in the PRC and the repatriation of capital from RQFII investments are relatively new. The application and interpretation of such investment

regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.

PRC Custodian and PRC Broker risk

Onshore PRC assets will be maintained by the PRC Custodian in electronic form via a securities account with the CSDCC and a cash account with the PRC Custodian.

The RQFII also selects the PRC Broker to execute transactions for the Bosera STAR 50 ETF in the PRC markets. The Manager may only be capable of appointing one PRC Broker for the SSE in the PRC. As such the Bosera STAR 50 ETF will rely on only one PRC Broker in the SSE (which may be the same broker). Should, for any reason, the Manager be unable to use the relevant PRC Broker , the operation of the Bosera STAR 50 ETF would be adversely affected and may cause Units to trade at a premium or discount to the Bosera STAR 50 ETF's Net Asset Value or cause the Bosera STAR 50 ETF to be unable to track the Index. The Bosera STAR 50 ETF may also incur losses due to the acts or omissions of either the PRC Broker(s) or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. Subject to the applicable laws and regulations in the PRC, the Manager will make arrangements to ensure that the relevant PRC Broker and PRC Custodian have appropriate procedures to properly safe-keep the Bosera STAR 50 ETF's assets.

According to the RQFII Regulations and market practice, the securities and cash accounts for the Bosera STAR 50 ETF in the PRC are maintained in the joint names of the Manager as the RQFII and the Bosera STAR 50 ETF. Although the Manager has obtained a legal opinion that the assets in such securities account would belong to the Bosera STAR 50 ETF, such opinion cannot be relied on as being conclusive, as the RQFII Regulations are subject to the interpretation of the relevant authorities in the PRC.

Investors should note that cash deposited in the cash account of the Bosera STAR 50 ETF with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the Bosera STAR 50 ETF as a depositor. Such cash will be co-mingled with cash belong to other clients of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the Bosera STAR 50 ETF will not have any proprietary rights to the cash deposited in such cash account, and Bosera STAR 50 ETF will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian. The Bosera STAR 50 ETF may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Bosera STAR 50 ETF will suffer losses.

Repatriation risk

Repatriations by RQFIIs in respect of a fund such as the Bosera STAR 50 ETF conducted in RMB are permitted daily and are not subject to any lock-up periods or prior approval. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the Bosera STAR 50 ETF's ability to meet redemption requests from Unitholders.

Risks associated with the Shanghai-Hong Kong Stock Connect

When available, the Bosera STAR 50 ETF may invest through the Shanghai-Hong Kong Stock Connect which may be subject to the following risks. In the event that the Bosera STAR 50 ETF 's ability to invest in A-Shares through the Shanghai-Hong Kong Stock Connect on a timely basis is adversely affected, the Manager will only be able to rely on RQFII investments to achieve the Bosera STAR 50 ETF 's investment objective.

Quota limitations: The Shanghai-Hong Kong Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be

rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). The Bosera STAR 50 ETF 's ability to invest in A-Shares through the Shanghai-Hong Kong Stock Connect may be affected.

Front-end Monitoring Risk: PRC regulations require that in order for an investor to sell any A Share on a certain trading day, there must be sufficient A Shares in the investor's account before market opens on that day. If there are insufficient A Shares in the investor's account, the sell order will be rejected by the SSE. The SEHK carries out pre-trade checking on SSE Securities sell orders of its participants (i.e. stock brokers) to ensure that this requirement is satisfied. This means that investors must transfer SSE Securities to the accounts of its brokers before the market opens on the day of selling (the "trading day"). If an investor fails to meet this deadline, it will not be able to sell SSE Securities on the relevant trading day. Because of this requirement, investors may not be able to dispose of holdings of SSE Securities in a timely manner. This also raises concerns as to counterparty risks as securities may need to be kept by brokers overnight.

To facilitate investors whose SSE Securities are maintained with custodians to sell their SSE Securities without having to pre-deliver the SSE Securities from their custodians to their executing brokers, the HKEx introduced an enhanced pre-trade checking model in March 2015, under which an investor may request its custodian to open a Special Segregated Account (SPSA) in CCASS to maintain its holdings in SSE Securities. Such investors only need to transfer SSE Securities from its SPSA to its designated broker's account after execution and not before placing the sell order. This enhanced model is novel and initial market reaction has been varied. If the Bosera STAR 50 ETF is unable to utilise this model, it would have to deliver SSE Securities to brokers before the trading day and the above risks may still apply.

Suspension risk: Each of the SEHK, the SSE reserves the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the North bound trading is effected, the Bosera STAR 50 ETF's ability to access the A-Share market through the Shanghai-Hong Kong Stock Connect will be adversely affected.

Differences in trading day risk: The Shanghai-Hong Kong Stock Connect only operates on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but Hong Kong investors (such as the Bosera STAR 50 ETF) cannot carry out any A-Shares trading. Due to the differences in trading days, the Bosera STAR 50 ETF may be subject to a risk of price fluctuations in A-Shares on a day that the PRC stock markets are open for trading but the Hong Kong stock market is closed.

Nominee arrangement risk: The SSE Securities in respect of Bosera STAR 50 ETF will be held by the Trustee/sub-custodian in accounts in CCASS, maintained by HKSCC as central securities depositary in Hong Kong. HKSCC in turn holds the SSE Securities, as the nominee holder, through an omnibus securities account in its name registered with CSDCC. HKSCC is only a nominee holder and the Bosera STAR 50 ETF remains the beneficial owner of the SSE Securities. The Bosera STAR 50 ETF's title or interests in, and entitlements to SSE Securities (whether legal, equitable or otherwise) will therefore be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction.

HKSCC Rule 824 confirms that all proprietary interests in respect of A-Shares held by HKSCC as nominee holder belong to HKSCC participants or their clients (as the case may be). Also as set out in HKSCC Rule 824, HKSCC is prepared to provide assistance to the beneficial owners of A-Shares, where necessary, to provide certification to CSDCC for the purpose of providing evidential proof of the HKSCC participant's or its client's holding in A-Shares and to assist the HKSCC participant or its client bringing the legal action in the PRC in the manner as may be required under PRC law, after having regard to its statutory duties and subject to such conditions as HKSCC may reasonably require (including payment of fees and costs upfront and indemnities to the satisfaction of HKSCC).

Although the relevant CSRC regulations and CSDCC rules generally provide for the concept of a nominee holder and recognise the Hong Kong and overseas investors (including the Bosera STAR

50 ETF) as the ultimate owners who would be recognised under the laws and regulations of the PRC as having beneficial ownership in the A-Shares traded via the Shanghai-Hong Kong Stock Connect, how an investor such as the Bosera STAR 50 ETF, as the beneficial owner of the A-Shares, under the Shanghai-Hong Kong Stock Connect structure, exercises and enforces its rights over the A-Shares in the PRC courts remain to be tested.

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

Further, the "connectivity" in the Shanghai-Hong Kong Stock Connect requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the programme could be disrupted.

Recalling of eligible stocks: If a stock is recalled from the scope of eligible stocks for trading via the Shanghai-Hong Kong Stock Connect, the stock can only be sold and cannot be bought. This may affect the Bosera STAR 50 ETF's tracking of the Underlying Index if, for example, a constituent of the Underlying Index is recalled from the scope of eligible stocks.

Participation in corporate actions and shareholders' meetings: HKSCC will keep HKSSC participants informed of corporate actions of SSE Securities. Where the articles of association of a listed company do not prohibit the appointment of proxy/multiple proxies by its shareholder, HKSCC will make arrangements to appoint one or more investors as its proxies or representatives to attend shareholders' meetings when instructed. Further, investors (with holdings reaching the thresholds required under the PRC regulations and the articles of associations of listed companies) may, through their HKSCC participants, pass on proposed resolutions to listed companies via HKSCC under the HKSCC rules. HKSCC will pass on such resolutions to the companies as shareholder on record if so permitted under the relevant regulations and requirements. Hong Kong and overseas investors (including the Bosera STAR 50 ETF) are holding SSE Securities traded via the Shanghai-Hong Kong Stock Connect through their brokers or custodians, and they need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. HKSCC participants). The time for them to take actions for some types of corporate actions of SSE Securities may be as short as one business day only. Therefore, the Bosera STAR 50 ETF may not be able to participate in some corporate actions in a timely manner.

Clearing and settlement risk: The HKSCC and CSDCC establish clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. Should the remote event of CSDCC default occur and the CSDCC be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against the CSDCC. HKSCC will in good faith seek recovery of the outstanding stocks and monies from the CSDCC through available legal channels or through the CSDCC's liquidation. In that event, the Bosera STAR 50 ETF may suffer delay in the recovery process or may not be able to fully recover its losses from the CSDCC.

Regulatory risk: The Shanghai-Hong Kong Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Shanghai-Hong Kong Stock Connect. The regulations are untested and there is no certainty as to how they will be applied, and are subject

to change. There can be no assurance that the Shanghai-Hong Kong Stock Connect will not be abolished.

No Protection by Investor Compensation Fund risk: Investment through Shanghai-Hong Kong Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers in their obligations. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the Bosera STAR 50 ETF is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC. Therefore the Bosera STAR 50 ETF is exposed to the risks of default of the broker(s) it engages in its trading in A-Shares through the programme.

Risks associated with RMB currency

RMB is not freely convertible and subject to exchange controls and restrictions risk

It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government. Since 1994, the conversion of RMB into US dollar has been based on rates set by the PBOC, which are set daily based on the previous day's PRC interbank foreign exchange market rate. On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. In addition, a market maker system was introduced to the interbank spot foreign exchange market. In July 2008, China announced that its exchange rate regime was further transformed into a managed floating mechanism based on market supply and demand. Given the domestic and overseas economic developments, the PBOC decided to further improve the RMB exchange rate regime in June 2010 to enhance the flexibility of the RMB exchange rate. In April 2012, the PBOC decided to take a further step to increase the flexibility of the onshore RMB exchange rate by expanding the daily trading band from +/- 0.5% to +/- 1%. However it should be noted that the PRC government's policies on exchange control and repatriation restrictions are subject to change, and any such change may adversely impact the Bosera STAR 50 ETF. There can be no assurance that the RMB exchange rate will not fluctuate widely against the US dollar or any other foreign currency in the future.

Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, currently continue to be subject to significant foreign exchange controls and require the approval of the SAFE. On the other hand, the existing PRC foreign exchange regulations have significantly reduced government foreign exchange controls for transactions under the current account, including trade and service related foreign exchange transactions and payment of dividends. Nevertheless, the Manager cannot predict whether the PRC government will continue its existing foreign exchange policy or when the PRC government will allow free conversion of the RMB to foreign currency.

RMB trading and settlement of Units risk

There is no assurance that there will not be problem with the systems for trading and settlement of RMB denominated securities or that other logistical problems will not arise. The trading of the RMB traded Units and settlement in RMB may not be capable of being implemented as envisaged. Investors should note that not all brokers may be ready and able to carry out trading of RMB traded Units and settlement in RMB and thus they may not be able to deal in the RMB traded Units through some brokers. Investors should check with their brokers in advance if they intend to engage in Dual Counter trading or in inter-counter trading and should fully understand the services which the relevant broker is able to provide (as well as any associated fees). Some exchange participants may not provide inter-counter trading or Dual Counter trading services.

Non-RMB or late settlement redemption risk

Where, in extraordinary circumstances, the remittance or payment of RMB funds on the redemption of Units cannot, in the opinion of the Manager in consultation with the Trustee, be carried out normally due to legal or regulatory circumstances beyond the control of the Trustee and the Manager, redemption proceeds may be delayed or, if necessary in exceptional circumstances, be paid in US dollars or Hong Kong dollars instead of in RMB (at an exchange rate determined by the Manager after consultation with the Trustee). As such, there is a risk that investors may not be able to receive, through Participating Dealers, settlement upon a redemption of Units in RMB (and may receive US dollars or Hong Kong dollars) or may receive settlement in RMB on a delayed basis.

RQFII late settlement risk

The Bosera STAR 50 ETF will be required to remit RMB from Hong Kong to the PRC to settle the purchase of A-Shares by the Bosera STAR 50 ETF from time to time. In the event such remittance is disrupted, the Bosera STAR 50 ETF will not be able to fully replicate the Index by investing in the relevant A-Shares and this may increase the tracking error of the Bosera STAR 50 ETF.

Exchange rates movement between the RMB and other currencies risk

Investors in RMB traded Units whose assets and liabilities are predominantly in Hong Kong dollars or in currencies other than RMB should take into account the potential risk of loss arising from fluctuations in value between the such currencies and RMB. In addition, investors in HKD traded Units should note that distributions on HKD traded Units will only be paid in RMB. Accordingly, foreign exchange risk will also apply to investors in HKD traded Units. There is no guarantee that RMB will appreciate in value against Hong Kong dollar or any other currency, or that the strength of RMB may not weaken. In such case an investor may enjoy a gain in RMB terms but suffer a loss when converting funds from RMB back into Hong Kong dollars (or any other currency).

Future movements in RMB exchange rates risk

The exchange rate of RMB ceased to be pegged to US dollars on 21 July 2005, resulting in a more flexible RMB exchange rate system. China Foreign Exchange Trading System, authorised by the PBOC, promulgates the central parity rate of RMB against US dollars, Euro, Yen, pound sterling and Hong Kong dollar at 9:15 a.m. on each business day, which will be the daily central parity rate for transactions on the Inter-bank Spot Foreign Exchange Market and OTC transactions of banks. The exchange rate of RMB against the above-mentioned currencies fluctuates within a range above or below such central parity rate. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including US dollars and Hong Kong dollars, are susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely against US dollars, Hong Kong dollars or any other foreign currency in the future. From 1994 to July 2005, the exchange rate for RMB against US dollar and the Hong Kong dollar was relatively stable. Since July 2005, the appreciation of RMB has begun to accelerate. Although the PRC government has constantly reiterated its intention to maintain the stability of RMB, it may introduce measures (such as a reduction in the rate of export tax refund) to address the concerns of the PRC's trading partners. Therefore, the possibility that the appreciation of RMB will be further accelerated cannot be excluded. On the other hand, there can be no assurance that RMB will not be subject to devaluation.

Offshore RMB ("CNH") market risk

The onshore RMB ("CNY") is the only official currency of the PRC and is used in all financial transactions between individuals, state and corporations in the PRC. Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC. Since June 2010, the offshore RMB ("CNH") is traded officially, regulated jointly by the Hong Kong Monetary Authority and the PBOC. While both CNY and CNH represent RMB, they are traded in different and separated markets. The two RMB markets operate independently where the flow between them is highly restricted. Though the CNH is a proxy's of the CNY, they do not necessarily have the same

exchange rate and their movement may not be in the same direction. This is because these currencies act in separate jurisdictions, which leads to separate supply and demand conditions for each, and therefore separate but related currency markets.

However, the current size of RMB-denominated financial assets outside the PRC is limited. As at 30 June 2017, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB526.08 billion. In addition, participating authorised institutions are also required by the Hong Kong Monetary Authority to maintain a total amount of RMB (in the form of cash and its settlement account balance with the Renminbi Clearing Bank) of no less than 25% of their RMB deposits, which further limits the availability of RMB that participating authorised institutions can utilise for conversion services for their customers. RMB business participating banks do not have direct RMB liquidity support from PBOC. The Renminbi Clearing Bank only has access to onshore liquidity support from PBOC (subject to annual and quarterly quotas imposed by PBOC) to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions. Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC may affect the ability of investors to acquire Units or to sell Units of Bosera STAR 50 ETF affecting the liquidity and trading price of the Units on the SEHK. To the extent the Manager is required to source RMB in the offshore market, there is no assurance that it will be able to source such RMB on satisfactory terms, if at all.

RMB distributions risk

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

Risks associated with the PRC

A-Share market trading hours difference risk

Differences in trading hours between the SSE and the SEHK may increase the level of premium/discount of the Unit price to its Net Asset Value because if the SSE is closed while the SEHK is open, the Index level may not be available. The prices quoted by the SEHK market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the Index level and as a result, the level of premium or discount of the Unit price of Bosera STAR 50 ETF to its Net Asset Value may be higher.

A-Share market suspension risk

A-Shares may only be bought from, or sold to, Bosera STAR 50 ETF from time to time where the relevant A-Shares may be sold or purchased on the SSE. Given that the A-Share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the creation and redemption of Units may also be disrupted. A Participating Dealer is unlikely to redeem or create Units if it considers that A-Shares may not be available.

Economic, political and social risks

The economy of China, which has been in a state of transition from a planned economy to a more market oriented economy, differs from the economies of most developed countries in many

respects, including the level of government involvement, its state of development, its growth rate, control of foreign exchange, and allocation of resources.

Although the majority of productive assets in China are still owned by the PRC government at various levels, in recent years, the PRC government has implemented economic reform measures emphasising utilisation of market forces in the development of the economy of China and a high level of management autonomy. The economy of China has experienced significant growth in the past twenty (20) years, but growth has been uneven both geographically and among various sectors of the economy. Economic growth has also been accompanied by periods of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth.

For more than twenty (20) years, the PRC government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities market in the PRC as well as the underlying Securities of the Bosera STAR 50 ETF. Further, the PRC government may from time to time adopt corrective measures to control the growth of the PRC economy which may also have an adverse impact on the capital growth and performance of the Bosera STAR 50 ETF.

Political changes, social instability and adverse diplomatic developments in the PRC could result in the imposition of additional government restrictions including expropriation of assets, confiscatory taxes or nationalisation of some or all of the property held by the underlying issuers of the Securities in the Bosera STAR 50 ETF's portfolio.

PRC laws and regulations risk

The regulatory and legal framework for capital markets and joint stock companies in the PRC may not be as well developed as those of developed countries. PRC laws and regulations affecting securities markets are relatively new and evolving, and because of the limited volume of published cases and judicial interpretation and their non-binding nature, interpretation and enforcement of these regulations involve significant uncertainties. In addition, as the PRC legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on their business operations.

Restricted markets risk

The Bosera STAR 50 ETF may invest in Securities in respect of which the PRC imposes limitations or restrictions on foreign ownership or holdings. In such circumstances, the Bosera STAR 50 ETF may be required to make investments indirectly. Such legal and regulatory restrictions or limitations may have adverse effects on the liquidity and performance of the Bosera STAR 50 ETF holdings as compared to the performance of the Index. This may increase the risk of tracking error.

Accounting and reporting standards risk

Accounting, auditing and financial reporting standards and practices applicable to PRC companies may be different to those standards and practices applicable to countries that have more developed financial markets. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

Changes in PRC taxation risk

The PRC Government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies and

foreign investors in such companies. In particular, please refer to the risk factor on "Risk associated with PRC taxation" below.

PRC withholding taxation risk

In order to meet the potential tax liability on capital gains arising from disposal of A-Shares, the Manager reserves the right to provide for withholding income tax ("WIT") on such gains and withhold the tax for the account of the Bosera STAR 50 ETF. The Manager does not make WIT provision on gross realised or unrealised capital gains derived from trading of A-Shares by the Bosera STAR 50 ETF from 17 November 2014 onwards. Please refer to the sub-section "PRC taxation – Capital gains" in the section "Taxation" in this Prospectus for further details.

The PRC tax rules and practices in relation to RQFII are relatively new and may be subject to change. It should also be noted that the prevailing PRC tax regulations specified that the tax exemption on capital gains derived from the trading of A-Shares from 17 November 2014 onwards is temporary. There is a possibility of the PRC tax rules, regulations and practice being changed and taxes being applied retrospectively. There are risks and uncertainties associated with the current PRC tax laws, regulations and practice. As such, there is a risk that taxes may be levied in future on the Bosera STAR 50 ETF for which no provision is made, which may potentially cause substantial loss to the Bosera STAR 50 ETF.

Unitholders should note that the tax reporting and tax treaty application (detailed in the sub-section "PRC taxation – Capital gains" in the section "Taxation" in this Prospectus are made in accordance with the prevailing tax rules and practices of the Shanghai tax authority at the time of submission. The Net Asset Value of the Bosera STAR 50 ETF may require further adjustment to take into account any retrospective application of new tax regulations and development, including change in interpretation of the relevant regulations by the PRC tax authorities. The Manager will closely monitor any further guidance by the relevant PRC tax authorities and adjust the WIT provision policy of the Bosera STAR 50 ETF if necessary. The Manager will act in the best interest of the Unitholders of the Bosera STAR 50 ETF at all times.

Unitholders may be disadvantaged or advantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Units. If no provision is made by the Manager in relation to all or part of the actual tax levied by the SAT in future, investors should note that the Net Asset Value of the Bosera STAR 50 ETF may be lowered, as the Bosera STAR 50 ETF will ultimately have to bear the full amount of tax liabilities. In this case, the additional tax liabilities will only impact Units in issue at the relevant time, and the then existing Unitholders and subsequent Unitholders will be disadvantaged as such Unitholders will bear, through the Bosera STAR 50 ETF, a disproportionately higher amount of tax liabilities as compared to those borne at the time of investment in the Bosera STAR 50 ETF. Please refer to "PRC taxation" under the section "Taxation" for further information in this regard.

Risks associated with investment in the Bosera STAR 50 ETF

Investment objective risk

There is no assurance that the investment objective of the Bosera STAR 50 ETF will be achieved. Whilst it is the intention of the Manager to implement strategies which are designed to minimise tracking error, there can be no assurance that these strategies will be successful. It is possible that you as an investor may lose a substantial proportion or all of its investment in the Bosera STAR 50 ETF where the Index value declines. As a result, each investor should carefully consider whether you can afford to bear the risks of investing in the Bosera STAR 50 ETF.

Concentration risk

Due to the concentration of the Index in the companies focusing on technology innovation, which is characterised by relatively higher volatility in price performance when compared to other economic sectors, the performance of the Index may be more volatile when compared to other broad-based stock indices.

The Index is subject to concentration risk as a result of tracking the performance of companies listed on the STAR Board of the SSE. The Net Asset Value of the Bosera STAR 50 ETF is therefore likely to be more volatile than a more broad-based fund, such as a global or regional fund, as the Index is more susceptible to fluctuations in value resulting from adverse conditions in a single country.

Risks associated with the STAR Board

Higher fluctuation on stock prices and liquidity risk: Companies listed on the STAR Board are usually of emerging nature with smaller operating scale. Such companies are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on the STAR Board are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main board of the SSE.

Over-valuation risk: Stocks listed on the STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulation: The rules and regulations regarding companies listed on the STAR Board are less stringent in terms of profitability and share capital than those in the main board of the SSE. Given the emerging nature of companies listed on the STAR Board, there is a risk that the securities traded on the STAR Board may be susceptible to higher market volatility compared to securities traded on the main board of the SSE. Please refer to the section “Overview of the SSE and the STAR Board” above for details on the differences in the listing requirements between the STAR Board and the main board of the SSE.

Delisting risk: It may be more common and faster for companies listed on the STAR Board to delist. The STAR Board has stricter criteria for delisting compared to other boards. This may have an adverse impact on the Bosera STAR 50 ETF if the companies that it invests in are delisted.

Concentration risk: The STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in the STAR Board may be concentrated in a small number of stocks and subject the Bosera STAR 50 ETF to higher concentration risk.

Investments in the STAR Board may result in significant losses for the Bosera STAR 50 ETF and its investors.

Risks of investing in companies focusing on technology innovation

Companies listed on the STAR Board focus on technology innovation. Many of these companies have a relatively short operating history. Rapid changes could render obsolete the products and services offered by the companies in which the Bosera STAR 50 ETF invests and cause severe or complete declines in the prices of the securities of those companies. Additionally, companies in these sectors may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel. If the Bosera STAR 50 ETF invests in any of these companies, its investment may be adversely affected.

There may be substantial government intervention in the technology industry, including restrictions on investment in technology companies if such companies are deemed sensitive to relevant national interests. Some governments in the world have sought, and may in the future seek, to censor content available through internet, restrict access to products and services offered by companies that the Bosera STAR 50 ETF invests in from their country entirely or impose other restrictions that may affect the accessibility of such products and services for an extended period of time or indefinitely. In the event that access to the internet products and services is restricted, in whole or in part, in one or more countries, the ability of such companies to retain or increase their user base and user engagement may be adversely affected, and their operating results may be harmed. This may in turn affect the value of investment of the Bosera STAR 50 ETF.

The technology business is subject to complex laws and regulations including privacy, data

protection, content regulation, intellectual property, competition, protection of minors, consumer protection and taxation. These laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to the business practices, monetary penalties, increased cost of operations or declines in user growth, user engagement or advertisement engagement, or otherwise harm the technology business. They may also delay or impede the development of new products and services. Compliance with these existing and new laws and regulations can be costly and may require significant time and attention of management and technical personnel. These companies are also subject to the risks of loss or impairment of intellectual property rights or licences, cyber security risks resulting in undesirable legal, financial, operational and reputational consequences. All these may have impact on the business and/or profitability of the technology companies in which the Bosera STAR 50 ETF invests and this may in turn adversely affect the value of investment of the Bosera STAR 50 ETF.

Market risk

The Net Asset Value of the Bosera STAR 50 ETF will change with changes in the market value of the Securities it holds. The price of Units and the income from them may go down as well as up. There can be no assurance that an investor will achieve profits or avoid losses, significant or otherwise. The capital return and income of the Bosera STAR 50 ETF is based on the capital appreciation and income on the Securities it holds, less expenses incurred. The Bosera STAR 50 ETF's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, the Bosera STAR 50 ETF may experience volatility and decline in a manner that broadly corresponds with the Index. Investors in the Bosera STAR 50 ETF are exposed to the same risks that investors who invest directly in the underlying Securities would face. These risks include, for example, interest rate risks (risks of falling portfolio values in a rising interest rate market); income risks (risks of falling incomes from a portfolio in a falling interest rate market); and credit risk (risk of a default by the underlying issuer of a Security that forms part of the Index).

Asset class risk

Although the Manager is responsible for the continuous supervision of the investment portfolio of the Bosera STAR 50 ETF, the returns from the types of Securities in which the Bosera STAR 50 ETF invests may underperform or outperform returns from other Securities markets or from investment in other assets. Different types of securities tend to go through cycles of out-performance and underperformance when compared with other general Securities markets.

Passive investments risk

The Bosera STAR 50 ETF is not actively managed. Accordingly, the Bosera STAR 50 ETF may be affected by a decline in the market segments relating to the Index. The Manager will not take defensive positions in declining markets. Investors may lose a significant part of their respective investments if the Index falls. The Bosera STAR 50 ETF invests in the Securities included in or representative of the Index regardless of their investment merit, except to the extent of any representative sampling strategy. The Manager does not attempt to select stocks individually or to take defensive positions in declining markets. You should note that the lack of discretion on the part of the Manager to adapt to market changes due to the inherent investment nature of the Bosera STAR 50 ETF will mean that falls in the Index are expected to result in corresponding falls in the value of the Bosera STAR 50 ETF.

Possible business failure risk

In the current economic environment, global markets are experiencing very high level of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any one or more of the constituents of the Index may have an adverse effect on the Index's and therefore the Bosera STAR 50 ETF's performance. You may lose money by investing in the Bosera STAR 50 ETF.

Management risk

Because there can be no guarantee that the Bosera STAR 50 ETF will fully replicate the Index, it

is subject to management risk. This is the risk that the Manager's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager has absolute discretion to exercise Unitholders' rights with respect to Securities comprising the Bosera STAR 50 ETF. There can be no guarantee that the exercise of such discretion will result in the investment objective of the Bosera STAR 50 ETF being achieved.

Securities risk

The investments of the Bosera STAR 50 ETF are subject to risks inherent in all Securities (including settlement and counterparty risks). The value of holdings may fall as well as rise. The global markets are currently experiencing very high levels of volatility and instability, resulting in higher levels of risk than is customary (including settlement and counterparty risks).

Equity risk

Investing in equity Securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity Securities may also be higher, because the investment performance of equity Securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

Tracking error risk

Although the Manager will adopt a full replication strategy to reduce tracking error, the Manager may also use representative sampling in exceptional circumstances, such as where it may not be able to acquire certain Securities which are constituents of the Index due to restrictions or limited availability. As such there can be no assurance of exact or identical replication at any time of the performance of the Index. Because the Manager has no other strategies to minimise tracking error, the Net Asset Value of the Bosera STAR 50 ETF may not correlate exactly with the Index. Factors such as the fees and expenses of the Bosera STAR 50 ETF, imperfect correlation between the Bosera STAR 50 ETF's assets and the Securities constituting the Index, inability to rebalance the Bosera STAR 50 ETF's holdings of Securities in response to changes in the constituents of the Index, rounding of Security prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Index. These factors may cause the Bosera STAR 50 ETF's returns to deviate from the Index.

Trading risk

While the creation/redemption feature of the Bosera STAR 50 ETF is designed to make it likely that Units will trade close to their Net Asset Value, disruptions to creations and redemptions (for example, as a result of imposition of capital controls by a foreign government) may result in trading prices that differ significantly from the Net Asset Value. The secondary market prices of Units will fluctuate in accordance with changes in the Net Asset Value and supply and demand on any exchange on which Units are listed. The Manager cannot predict whether Units will trade below, at, or above their Net Asset Value. Since, however, Units must be created and redeemed in Application Unit size (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their Net Asset Value) the Manager believes that ordinarily large discounts or premiums to the Net Asset Value of Units should not be sustained. If the Manager suspends creations and/or redemptions of Units, the Manager anticipates that there may be larger discounts or premiums as between the secondary market price of Units and the Net Asset Value.

Loss of capital risk

There is no guarantee that the Bosera STAR 50 ETF's investments will be successful. In addition, trading errors are an intrinsic factor in any complex investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors.

No trading market in the Units risk

Although the Units are listed on the SEHK and one or more Market Makers have been appointed, there may be no liquid trading market for the Units or that such Market Maker(s) may cease to fulfil that role. Further, there can be no assurance that Units will experience trading or pricing patterns similar to those of exchange traded funds which are issued by investment companies in other jurisdictions or those traded on the SEHK which are based upon indices other than the Index.

Indemnity risk

Under the Trust Deed, the Trustee and the Manager have the right to be indemnified against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in performing their respective duties except as a result of their own negligence, fraud, default, breach of trust of which they may be liable in relation to their duties. Any reliance by the Trustee or the Manager on the right of indemnity would reduce the assets of the Bosera STAR 50 ETF and the value of the Units.

Dividends may not be paid risk

It is the Manager's intention that the Bosera STAR 50 ETF will pay distributions on Units but this will mainly also depend on dividends or distributions declared and paid in respect of the Securities of the Index. Such dividends or distributions received by the Bosera STAR 50 ETF may be applied towards meeting the costs and expenses of the Bosera STAR 50 ETF. Dividend or distribution payment rates in respect of such Securities will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Distributions out of capital risk

Although the Manager intends to distribute dividends to Unitholders from net income, pursuant to Clause 14.5 of the Trust Deed, the Manager may at its discretion pay dividends out of income or capital (or partly one and partly the other). In addition, pursuant to Clause 14.4 of the Trust Deed fees and expenses may be paid out of all or part of the deposited property (capital and income) of the Bosera STAR 50 ETF. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Bosera STAR 50 ETF's capital or effectively out of capital may result in an immediate reduction of the Net Asset Value per Unit of the relevant class. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one (1) month's prior notice to Unitholders.

Possible early termination of the Bosera STAR 50 ETF risk

The Bosera STAR 50 ETF may be terminated early under certain circumstances, including but not limited to (i) the aggregate Net Asset Value of all the Units is less than RMB150 million or (ii) any law is passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Manager, impracticable or inadvisable to continue the Bosera STAR 50 ETF or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed or (iv) the Index is no longer available for benchmarking or if the Units are no longer listed on the SEHK or any other Recognised Stock Exchange or (v) at any time, the Bosera STAR 50 ETF ceases to have any Participating Dealer. Upon the Bosera STAR 50 ETF being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the Bosera STAR 50 ETF to the Unitholders in accordance with the Trust Deed. Any such amount distributed may be more or less than the capital invested by the Unitholder.

Risks associated with market trading

Dual Counter risks

The Bosera STAR 50 ETF will have Dual Counter traded Units which are traded and settled in RMB under the RMB counter and traded and settled in HKD under the HKD counter. There is a risk that the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in RMB due to market liquidity, supply and demand in each counter and the exchange rate between the RMB and the HKD (in both the onshore and the offshore markets). The trading price of HKD traded Units or RMB traded Units is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Units traded in HKD or buying Units traded in HKD, an investor may receive less or pay more than the equivalent amount in RMB if the trade of the relevant Units is in RMB and *vice versa*. There can be no assurance that the price of Units in each counter will be equivalent.

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

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

Absence of active market and liquidity risks

Although Units of the Bosera STAR 50 ETF are listed for trading on the SEHK, there can be no assurance that an active trading market for such Units will develop or be maintained. In addition, if the underlying Securities which comprise the Bosera STAR 50 ETF themselves have limited trading markets, or if the spreads are wide, this may adversely affect the price of the Units and the ability of an investor to dispose of its Units at the desired price. If an investor needs to sell Units at a time when no active market for them exists, the price it will receive for its Units — assuming it is able to sell them — is likely to be lower than the price received if an active market did exist.

Suspension of trading risk

Investors and potential investors will not be able to buy, nor will investors be able to sell, Units on the SEHK during any period in which trading of the Units is suspended. The SEHK may suspend the trading of Units whenever the SEHK determines that it is appropriate and in the interest of a fair and orderly market to protect investors. The subscription and redemption of Units may also be suspended if the trading of Units is suspended.

Trading differences risk

As the STAR Board may be open when Units in the Bosera STAR 50 ETF are not priced, the value of the Securities in the Bosera STAR 50 ETF's portfolio may change on days when investors will not be able to purchase or sell the Bosera STAR 50 ETF's Units. Furthermore, the market price of underlying Securities listed on the STAR Board which are established outside Hong Kong may not be available during part or all of the SEHK trading sessions due to trading hour differences which may result in the trading price of the Bosera STAR 50 ETF deviating away from the Net Asset Value. A-Shares are subject to trading bands which restrict increases and decreases in the trading price. Units listed on the SEHK are not. This difference may also increase the level of

premium or discount of the Unit price to its Net Asset Value or the Bosera STAR 50 ETF may be unable to track the Index.

Effect of redemptions risk

If significant redemptions of Units are requested by the Participating Dealers, it may not be possible to liquidate the Bosera STAR 50 ETF's investments at the time such redemptions are requested or the Manager may be able to do so only at prices which the Manager believes does not reflect the true value of such investments, resulting in an adverse effect on the return to investors. Where significant redemptions of Units are requested by the Participating Dealers, the right of Participating Dealers to require redemptions in excess of 10% of the total number of Units in the Bosera STAR 50 ETF then in issue (or such higher percentage as the Manager may determine and as permitted by the SFC) may be deferred, or the period for the payment of redemption proceeds may be extended.

In addition, the Manager may also in certain circumstances suspend the determination of the Net Asset Value of the Bosera STAR 50 ETF for the whole or any part of any period. Please see the section on "Determination of Net Asset Value" for further details.

Units may trade at prices other than Net Asset Value risk

Units of the Bosera STAR 50 ETF trade on the SEHK at prices above or below the most recent Net Asset Value. The Net Asset Value per Unit of the Bosera STAR 50 ETF is calculated at the end of each Dealing Day and fluctuates with changes in the market value of the Bosera STAR 50 ETF's holdings. The trading prices of the Bosera STAR 50 ETF's Units fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value particularly during periods of market volatility. Any of these factors may lead to the Units of the Bosera STAR 50 ETF trading at a premium or discount to the Net Asset Value. On the basis that Units can be created and redeemed in Application Units at Net Asset Value, the Manager believes that large discounts or premiums to Net Asset Value are not likely to be sustained over the long-term. While the creation/redemption feature is designed to make it likely that the Units will normally trade at prices close to the Bosera STAR 50 ETF's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the Bosera STAR 50 ETF's Net Asset Value due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in trading prices that differ significantly from Net Asset Value. In particular, if an investor purchases Units at a time when the market price is at a premium to Net Asset Value or sells when the market price is at a discount to Net Asset Value, then the investor may sustain losses.

Borrowing risks

The Trustee, at the request of the Manager, may borrow for the account of the Bosera STAR 50 ETF (up to 10% of the Net Asset Value of the Bosera STAR 50 ETF), for facilitating redemptions or to acquire investments for the account of the Bosera STAR 50 ETF. Borrowing involves an increased degree of financial risk and may increase the exposure of the Bosera STAR 50 ETF to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that the Bosera STAR 50 ETF will be able to borrow on favourable terms, or that the Bosera STAR 50 ETF 's indebtedness will be accessible or be able to be refinanced by the Bosera STAR 50 ETF at any time.

Government intervention and restrictions risk

Governments and regulators may intervene in the financial markets, such as by the imposition of trading restrictions, a ban on "naked" short selling or the suspension of short selling for certain stocks. This may affect the operation and market making activities of the Bosera STAR 50 ETF, and may have an unpredictable impact on the Bosera STAR 50 ETF. Furthermore, such market interventions may have a negative impact on the market sentiment which may in turn affect the performance of the Index and as a result the performance of the Bosera STAR 50 ETF.

Cost of trading Units risk

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

No right to control the Bosera STAR 50 ETF's operation risk

Investors will have no right to control the daily operations, including investment and redemption decisions, of the Bosera STAR 50 ETF.

Secondary market trading risk

Units may trade on the SEHK when the Bosera STAR 50 ETF does not accept orders to subscribe or redeem Units. On such days, Units may trade in the secondary market with more significant premiums or discounts than might be experienced on days when the Bosera STAR 50 ETF accepts subscription and redemption orders.

Reliance on the Manager and Investment Adviser risk

Unitholders must rely upon the Manager in formulating the investment strategies and the performance of the Bosera STAR 50 ETF is largely dependent on the services and skills of its officers and employees as well as the utilisation of its RQFII status. In the case of loss of service of the Manager or any of its key personnel, as well as any significant interruption of the Manager's business operations or in the extreme case of the insolvency of the Manager, the Trustee may not find successor managers with the requisite skills, qualifications and RQFII status quickly (or at all) and the new appointment may not be on equivalent terms or of similar quality. In addition, the Manager will make use of and rely upon the Investment Adviser's expertise and systems to support the Bosera STAR 50 ETF's investments in the A-Share market. Any disruption in the communication with or the provision of assistance (for any reason) by the Investment Adviser, the operation of the Bosera STAR 50 ETF may be affected. Therefore, the occurrence of those events could cause a deterioration in the Bosera STAR 50 ETF's performance and investors may lose money in those circumstances.

Reliance on Market Makers risk

Although it is an expectation that the Manager uses its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Units traded in each counter, it should be noted that liquidity in the market for the Units may be adversely affected if there is no Market Maker for the RMB traded Units or no Market Maker for the HKD traded Units. The Manager will seek to mitigate this risk by ensuring at least one Market Maker for the Units traded in each counter gives not less than 3 months' notice prior to terminating of relevant market making arrangements under the relevant market making agreement(s). There may be less interest by potential Market Makers in making a market in Units denominated or traded in RMB. Further, any disruption to the availability of RMB may adversely affect the capability of Market Makers in providing liquidity for RMB traded Units. It is possible that there is only one SEHK Market Maker to a counter or to the Bosera STAR 50 ETF or the Manager may not be able to engage a substitute Market Maker within the termination notice period of a Market Maker, and there is also no guarantee that any market making activity will be effective.

Reliance on Participating Dealers risk

The creation and redemption of Units may only be effected through Participating Dealers. A Participating Dealer may charge a fee for providing this service. Participating Dealers will not be able to create or redeem Units during any period when, amongst other things, dealings on the

SEHK are restricted or suspended, settlement or clearing of Securities through the CCASS is disrupted or the Index is not compiled or published. In addition, Participating Dealers will not be able to issue or redeem Units if some other event occurs that impedes the calculation of the Net Asset Value of the Bosera STAR 50 ETF or disposal of the Bosera STAR 50 ETF's Securities cannot be effected. Since the number of Participating Dealers at any given time will be limited, and there may even be only one Participating Dealer at any given time, there is a risk that investors may not always be able to create or redeem Units freely.

Risks In Respect of Low Trading Prices

Low trading price risk

The trading price of the Units on the SEHK is determined by market supply and demand and may decline to a very low nominal level. In this case, the percentage impact of the minimum price movement (or "tick size") may be magnified. As a result, small absolute price movements may represent significant percentage changes in the trading price of the Units and may increase volatility in secondary market trading.

Wide bid-ask spread risk

Where the trading price of the Units is at a lower nominal level, market makers and other market participants may quote wider bid-ask spreads. Investors buying Units on the secondary market may pay substantially more than the prevailing Net Asset Value attributable to each Unit and investors selling Units may receive substantially less than such value. This may adversely affect investors' ability to transact in the Units at the desired price or time.

Risk of market makers not fulfilling market making obligations

Where the trading price of the Units is at a very low nominal level, market makers may face increased operational, inventory management or risk management constraints in fulfilling their market making obligations. Under adverse market conditions, market makers may be unable or unwilling to provide quotes at the expected size, frequency or spread. If market makers reduce their activities, cease market making or are otherwise unable to fulfil their market making obligations, the liquidity of the Units may be adversely affected. Investors may experience greater difficulty in buying or selling Units, and the market price of the Units may become more volatile and deviate more significantly from the Net Asset Value of the Sub-Funds.

Risk of trading at 0.01 per Unit (of any available currency unit)

The trading price of the Units may reach the price floor of 0.01 per Unit (of any available currency unit). If the market price of the Units reaches the price floor, the Units may effectively be trading at the minimum price increment available on the SEHK. In such circumstances, the secondary market trading price may have limited ability to reflect smaller changes in the value of the relevant Sub-Funds' assets and trading in the Units may become less efficient. Trading at such a low price level may adversely affect market liquidity and may increase the risk of significant price volatility.

Risk of substantial deviation between trading price and Net Asset Value

Low trading price may lead to magnification of the percentage impact of tick size and significantly widened bid-ask spreads. As a result, the trading price of the Units may deviate materially from the Net Asset Value per Unit. Investors should exercise caution when trading the Units in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, and bid-ask spread before making any investment decision.

Risks associated with the Index

New Index Risk

The Index is a new index. The Bosera STAR 50 ETF may be riskier than other exchange traded funds tracking more established indices with longer operating history.

Fluctuations risk

The performance of the Units should, before fees and expenses, correspond closely with the performance of the Index. If the Index experiences volatility or declines, the price of the Units will vary or decline accordingly.

Licence to use Index may be terminated risk

The Manager is granted a licence by the Index Provider to use the Index to create the Bosera STAR 50 ETF based on the Index and to use certain trade marks and any copyright in the Index. The Bosera STAR 50 ETF may not be able to fulfil its objective and may be terminated if the licence agreement is terminated. The initial term of the licence agreement is three (3) years and is thereafter renewable annually by an additional period for two (2) years. There can be no guarantee that the licence agreement will be perpetually renewed. For further information on the grounds for terminating the licence agreement, please refer to the section on "Index licence agreement". The Bosera STAR 50 ETF may also be terminated if the Index ceases to be compiled or published and there is no replacement Index using the same or substantially similar formula for the method of calculation as used in calculating the Index.

Compilation of Index risk

The Securities of the Index are determined and composed by the Index Provider without regard to the performance of the Bosera STAR 50 ETF. The Bosera STAR 50 ETF is not sponsored, endorsed, sold or promoted by the Index Provider. The Index Provider makes no representation or warranty, express or implied, to investors in the Bosera STAR 50 ETF or other persons regarding the advisability of investing in Securities generally or in the Bosera STAR 50 ETF particularly. The Index Provider has no obligation to take the needs of the Manager or investors in the Bosera STAR 50 ETF into consideration in determining, composing or calculating the Index. There is no assurance that the Index Provider will compile the Index accurately, or that the Index will be determined, composed or calculated accurately. In addition, the process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice. Consequently there can be no guarantee that the actions of the Index Provider will not prejudice the interests of the Bosera STAR 50 ETF, the Manager or investors.

Composition of the Index may change risk

The Securities constituting the Index will change as the Securities of the Index are delisted, or as the Securities mature or are redeemed or as new Securities are included in the Index. When this happens the weightings or composition of the Securities owned by the Bosera STAR 50 ETF will change as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Units will generally reflect the Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Units. However, there can be no guarantee that the Bosera STAR 50 ETF will, at any given time accurately reflect the composition of the Index (refer to the section on "Tracking error risk").

Risks associated with regulation

Withdrawal of SFC authorisation risk

The Trust and the Bosera STAR 50 ETF have been authorised as a collective investment scheme under the Code by the SFC under Section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. This does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The SFC reserves the right to withdraw the authorisation of the Trust or the Bosera STAR 50 ETF or impose such conditions as it considers appropriate. If the Manager does not wish the Trust or the Bosera STAR 50 ETF to continue to be authorised by the SFC, the Manager will give Unitholders at least three months' notice of the intention to seek SFC's withdrawal of such authorisation. In addition, any authorisation granted by the SFC may be subject to certain conditions which may be withdrawn

or varied by the SFC. If, as a result of such withdrawal or variation of conditions, it becomes illegal, impractical or inadvisable to continue the Trust or the Bosera STAR 50 ETF, the Trust or the Bosera STAR 50 ETF (as applicable) will be terminated.

General legal and regulatory risk

The Bosera STAR 50 ETF must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objectives followed by the Bosera STAR 50 ETF. Furthermore, such change in the laws may have an impact on the market sentiment which may in turn affect the performance of the Index and as a result, the performance of the Bosera STAR 50 ETF. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for the Bosera STAR 50 ETF. In the worst case scenario, a Unitholder may lose a material part of its investments in the Bosera STAR 50 ETF.

Units may be delisted from the SEHK risk

The SEHK imposes certain requirements for the continued listing of securities, including the Units, on the SEHK. Investors cannot be assured that the Bosera STAR 50 ETF will continue to meet the requirements necessary to maintain the listing of Units on the SEHK or that the SEHK will not change the listing requirements. If the Units of the Bosera STAR 50 ETF are delisted from the SEHK, Unitholders will have the option to redeem their Units by reference to the Net Asset Value of the Bosera STAR 50 ETF. Where the Bosera STAR 50 ETF remains authorised by the SFC, such procedures required by the Code will be observed by the Manager including as to notices to Unitholders, withdrawal of authorisation and termination, as may be applicable. Should the SFC withdraw authorisation of the Bosera STAR 50 ETF for any reason it is likely that Units may also have to be delisted.

Taxation risk

Investing in the Bosera STAR 50 ETF may have tax implications for a Unitholder depending on the particular circumstances of each Unitholder. Prospective investors are strongly urged to consult their own tax advisers and counsel with respect to the possible tax consequences to them of an investment in the Units. Such tax consequences may differ in respect of different investors.

Risks relating to FATCA

FATCA provides that a 30% withholding tax will be imposed on certain payments to FFIs, such as the Bosera STAR 50 ETF, including interests and dividends from securities of US issuers and gross proceeds from the sale of such securities, unless the Bosera STAR 50 ETF discloses the name, address and taxpayer identification number of certain US persons that own, directly or indirectly, an interest in the Bosera STAR 50 ETF, as well as certain other information relating to any such interest. The IRS has released regulations and other guidance that provide for the phased implementation of the foregoing withholding and reporting requirements. The United States Department of the Treasury and Hong Kong have on 13 November 2014 signed a Model 2 IGA (the "HK IGA"). The HK IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. Under the HK IGA arrangements, FFIs in Hong Kong (such as the Bosera STAR 50 ETF) would register with the IRS to be subject to the terms of a FFI with the IRS and comply with the terms of such FFI Agreement. Otherwise, they will be subject to a 30% withholding tax on relevant US source payments to them.

The Bosera STAR 50 ETF has registered with the IRS, agreeing to be subject to and comply with the terms of a FFI Agreement and be treated as a Reporting Financial Institution under the HK IGA.

Although the Bosera STAR 50 ETF will attempt to satisfy any obligations imposed on it to avoid the imposition of FATCA withholding tax, no assurance can be given that the Bosera STAR 50 ETF will be able to fully satisfy these obligations. If the Bosera STAR 50 ETF becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of the Bosera STAR 50 ETF may be adversely affected and the Bosera STAR 50 ETF and its Unitholders may suffer material loss.

The Bosera STAR 50 ETF's ability to comply with FATCA will depend on each Unitholder providing the Bosera STAR 50 ETF with information that the Bosera STAR 50 ETF requests concerning the Unitholder or its direct and indirect owners. If a Unitholder fails to provide the Bosera STAR 50 ETF with any information requested, the Bosera STAR 50 ETF may exercise its right to compulsorily redeem such Unitholder and/or apply withholdings to payments to such Unitholder. Any such compulsory redemption and/or withholding will be done in accordance with applicable laws and regulations, and the discretion to do so will be exercised by the Manager acting in good faith and on reasonable grounds.

Please also refer to the sub-section entitled "FATCA and compliance with US withholding requirements" under the section headed "TAXATION" in this Prospectus for further details on FATCA and related risks.

All prospective investors and Unitholders should consult with their own tax advisors regarding the possible implications of FATCA and the tax consequences on their investments in the Bosera STAR 50 ETF. Unitholders who hold their Units through intermediaries should also confirm the FATCA compliance status of those intermediaries.

Valuation and accounting risk

The Manager intends to adopt IFRS in drawing up the annual accounts of the Bosera STAR 50 ETF. However, the calculation of the Net Asset Value in the manner described under the section on "Determination of Net Asset Value" will not necessarily be in compliance with generally accepted accounting principles, that is, IFRS. Under IFRS (i) investments should be valued at fair value (bid and after pricings are considered to be representative of fair value for listed investments) rather than the last traded price, and (ii) establishment costs should be expensed as incurred rather than amortised over a period of time. Accordingly, the Net Asset Value as described in this Prospectus will not necessarily be the same as the net asset value to be reported in the financial reports as the Manager will make necessary adjustments in the financial reports to comply with IFRS (although the Manager does not consider the differences between IFRS and the calculation of Net Asset Value are material). Any such adjustments will be disclosed in the financial reports, including a reconciliation.

Contagion across sub-funds risk

The Trust Deed allows the Trustee and the Manager to issue Units in separate sub-funds. The Trust Deed provides for the manner in which the liabilities are to be attributed across the various sub-funds under the Trust, including the Bosera STAR 50 ETF (liabilities are to be attributed to the specific sub-fund in respect of which the liability was incurred). A person to whom such a liability is owed has no direct recourse against the assets of the relevant sub-fund (in the absence of the Trustee granting that person a security interest). However, the Trustee will have a right of reimbursement and indemnity out of the assets of the Trust as a whole or any part thereof, against any action, costs, claims, damages, expenses or demands relating to the Trust as a whole, which may result in Unitholders of one sub-fund being compelled to bear the liabilities incurred in respect of other sub-funds in which such Unitholders do not themselves own units, if there are insufficient assets in that other sub-fund to satisfy the amount due to the Trustee. Accordingly, there is a risk that liabilities of one sub-fund may not be limited to that particular sub-fund and may be required to be paid out of one or more other sub-funds.

Non-recognition of sub-fund segregation risk

The assets and liabilities of each sub-fund (including the Bosera STAR 50 ETF) under the Trust will be tracked, for book keeping purposes, separately from the assets and liabilities of any other sub-funds, and the Trust Deed provides that the assets of each sub-fund should be segregated from each other. There is no guarantee that the courts of any jurisdiction outside Hong Kong will respect the limitations on liability and that the assets of any particular sub-fund will not be used to satisfy the liabilities of any other sub-fund.

MANAGEMENT OF THE TRUST

The Manager

The Manager of the Trust and the Bosera STAR 50 ETF is Bosera Asset Management (International) Co., Limited.

The Manager was established in Hong Kong in March 2010 and is being directly held by Bosera Asset Management Co., Limited and China Merchants Fund Management Co., Limited as to 55% and 45% ordinary shares of the Manager.

The Manager is licensed by the SFC for type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO with CE number AVR135.

Under the Trust Deed, the Manager is responsible for the management of the assets of the Trust and the Bosera STAR 50 ETF, including the continuous supervision of the Bosera STAR 50 ETF's portfolio. The Manager is also responsible, in conjunction with the Trustee, for the maintenance of the accounts and records of the Trust and the Bosera STAR 50 ETF as well as certain other administrative matters relating to the Trust and the Bosera STAR 50 ETF. In particular the Manager will be primarily responsible for portfolio composition file generation, cash and RQFII management, trade execution in the PRC and instructing cross border money transfers.

The directors of the Manager are as follows:

WU Huifeng

Mr. Wu is a director of the Manager. From 1996 to 2023, he had worked at China Nanshan Development Group Inc, Shanghai Nanshan Real Estate Development Co., Ltd., China Merchants Finance Holdings Company Limited and China Merchants Securities Co., Ltd., being a senior management and overseeing finance functions. Mr. Wu joined Bosera Asset Management Co., Ltd. in 2023 and is currently its Deputy General Manager, Chief Financial Officer, and Secretary of its Board.

Mr. Wu holds a Master's Degree in Economics from Peking University and a Bachelor's Degree in Economics from Shanghai University of Finance and Economics.

LIAN Shaodong

Ms. Lian is the Chairman of the Board of Directors, Chief Executive Officer and Responsible Officer of the Manager. *She is Acting Chief Executive Officer and Responsible Officer of the Manager. Ms. Lian joined Bosera Asset Management Co., Ltd in May 2012 as head of product department and head of marketing and sales division. Effective from 2016, Ms. Lian was appointed as Deputy CEO, RO and director of the Manager.*

Prior to joining Bosera Asset Management Co., Ltd, Ms. Lian was Chief Executive Officer of Da Cheng International Asset Management from 2008 to 2012. She also worked for DBS Vickers (Hong Kong) as China Business director from 2004 to 2008. Prior to that, Ms. Lian joined Dacheng Fund Management Co. as first batch of employee in 2000. Lastly, she started her career as trader and chief representative in ABN AMRO Bank (Asia) since 1993.

Ms. Lian is the Chairperson of Chinese Asset Management Associate of Hong Kong and Election Committee Member of Hong Kong SAR currently.

Ms. Lian achieved a master degree in Economics from Guangdong Provincial Community Party College

ZENG Peng

Mr. Zeng is a director and Chief Investment Officer of the Manager. He joined Bosera Fund Management Co., Ltd in 2012 and currently serves as the Chief Investment Officer, Integrated Director of Equity Research and Investment, General Manager of Equity Investment Department IV, General Manager of the Overseas Investment Department, Social Security Investment Manager, and Fund Manager. Prior to this, from March 2005 to March 2009, he worked at China International Fund Management Co., as a researcher and industry expert. From March 2009 to September 2012, he worked at Harvest Fund Management as an investment manager.

Mr. Zeng studied Management of Investment Economics at Shanghai University of Finance and Economics from September 1998 to July 2002, earning a bachelor's degree. He then pursued a master's degree in National Economics at the same university from September 2002 to January 2005, obtaining a master's degree.

OU Zhiming

Mr. Ou is a director of the Manager. Since 2002, Mr. Ou joined GF Securities in its Shenzhen business headquarters as an Institutional Client Account Manager. From April 2003 to July 2004, he was engaged in risk management at the headquarters of GF Securities. He joined China Merchants Fund Management Co., Ltd. ("CMFM") in July 2004 and consecutively served as the Legal Compliance Department's Senior Manager, Deputy Director, Director, and CMFM's Chief Inspector.

He is currently the Deputy General Manager, Chief Information Officer, Secretary of the Board of Directors of CMFM, and concurrently serves as a Director of the China Merchants Wealth Asset Management Co., Ltd.

Mr. Ou holds a Master's degree in Investment Economics and double undergraduate degrees in Economics and Law from the Huazhong University of Science and Technology.

ZHOU Yi

Ms. Zhou is a director of the Manager. Since July 2010, she joined the China Merchants Bank's Headquarters and served as the Risk Control Manager of the Financial Market Department and the Head of the Foreign Currency Wealth Management Team of the Asset Management Department. In 2018, she joined E Fund Management Co., Ltd., and was responsible for the investment management of USD Short-Term Bond Strategy, USD and HKD Money Market Funds. Ms, Zhou joined China Merchants Fund Management Co., Ltd. in 2021 as a Senior Fund Manager.

She holds a Master of Science degree from Oxford University. Ms. Zhou received a Master of Engineering and double undergraduate degrees in Engineering and Management from the Huazhong University of Science and Technology. Ms. Zhou is a Chartered Financial Analyst (CFA).

The Investment Adviser

Krane Funds Advisors, LLC ("KFA") was founded in 2011 with a mission to provide investors with strategies to capture China's importance as an essential element of a well-designed investment portfolio. KFA seeks to provide innovative, first to market strategies that have been developed based on the firm and its partners' deep knowledge of investing. As of 9/30/2020, the firm manages approximately $4.7 billion across a series of China-focused and other bespoke strategies for institutions and individuals globally. KFA, a privately-owned SEC-registered investment adviser, is the investment adviser to the KraneShares ETFs. In 2017, KFA formed a strategic partnership with China International Capital Corporation (CICC) where CICC acquired a 50.1% ownership stake.

The Manager retains discretionary powers in the management of the Bosera STAR 50 ETF which will not be delegated to the Investment Adviser. The Investment Adviser will only provide investment advice to the Manager as outlined above. The remuneration of the Investment Adviser will be borne by the Manager.

The Trustee and Registrar

The Trustee of the Trust is HSBC Institutional Trust Services (Asia) Limited. The Trustee also acts as the Registrar of the Bosera STAR 50 ETF, and provides services in respect of the establishment and maintenance of the register of the Unitholders of the Bosera STAR 50 ETF.

The Trustee was incorporated with limited liability in Hong Kong on 27 September 1974 and is registered as a trust company under Section 78 (1) of the Hong Kong Trustee Ordinance (Cap. 29 of the Laws of Hong Kong) and approved by the Mandatory Provident Fund Schemes Authority as trustee of registered mandatory provident fund schemes under the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) in Hong Kong. It is also registered with Hong Kong Monetary Authority in which required to comply with the Supervisory Policy Manual ("SPM") module on "Regulation and Supervision of Trust Business" (TB-1) as a statutory guideline under section 7(3) of the Banking Ordinance. The Trustee is licensed by the SFC to carry out type 13 regulated activity (providing depositary services for relevant collective investment schemes under the Securities and Futures Ordinance (Cap. 571) and has a Trust or Company Service Provider ("TCSP") License under Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615).

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Trust and the Bosera STAR 50 ETF(s), subject to the provisions of the Trust Deed.

The Trustee may from time to time appoint such person or persons as it thinks fit (including, without limitation, any of its Connected Persons) to hold as custodian, nominee or agent, all or any of the investments, assets or other property comprised in the Trust Fund or any of the sub-funds and may empower any such custodian, nominee or agent to appoint, with the prior consent in writing of the Trustee, co-custodians and/or sub-custodians (each such custodian, nominee, agent, co-custodian and sub-custodian a "Correspondent"). The Trustee is required to (a) exercise reasonable care, skill and diligence in the selection, appointment and monitoring of Correspondents and (b) be satisfied that Correspondents retained remain suitably qualified and competent on an ongoing basis to provide the relevant custodial services to the Bosera STAR 50 ETF. The Trustee shall be liable for the acts and omissions of any Correspondent which is a Connected Person of the Trustee as if the same were the acts or omissions of the Trustee, but provided that the Trustee has discharged its obligations set out in (a) and (b) as set out in this paragraph, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent which is not a Connected Person of the Trustee. For the purpose of the foregoing "Correspondent" shall include the Custodian and the PRC Custodian. The Custodian is The Hongkong and Shanghai Banking Corporation Limited and the PRC Custodian is HSBC Bank (China) Company Limited (please see below).

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

Subject as provided in the Trust Deed, the Trustee shall not be liable for losses caused by the performance of investments made by the Trust and/or the Bosera STAR 50 ETF.

Subject as provided in the Trust Deed, the Trustee is entitled to be indemnified from the assets of the Trust and/or the Bosera STAR 50 ETF from and against any and all actions, proceedings, liabilities, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses (other than those imposed under Hong Kong law or resulting from breaches of trust through fraud or negligence on the part of the Trustee or any of its officers, employees, agents or delegates for which the Trustee would be liable under the Trust Deed), which may be incurred by or asserted against the Trustee in performing its obligations or duties in connection with the Trust or the Bosera STAR 50 ETF. Subject to applicable law and the provisions of the Trust Deed, the Trustee shall not, in the absence of breach of trust through fraud or negligence by it or any agent, sub-custodian or delegate appointed by the Trustee, be liable for any losses, costs or damage to the Trust, the Bosera STAR 50 ETF or any Unitholder. Please also refer to "Indemnities of the Trust and the Manager".

The Trustee in no way acts as guarantor or offeror of the Units or any underlying investment. The Trustee has no responsibility or authority to make investment decisions, or render investment advice with respect to the Trust or the Bosera STAR 50 ETF, which is the sole responsibility of the Manager.

The Trustee will not participate in transactions and activities, or make any payments denominated in US dollars, which, if carried out by a US person, would be subject to sanctions by The Office of Foreign Assets Control of the US Department of the Treasury. The OFAC administers and enforces economic sanction programs primarily against countries and groups of individuals, such as terrorists and narcotics traffickers by using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals. In enforcing economic sanctions, OFAC acts to prevent "prohibited transactions," which are described by OFAC as trade or financial transactions and other dealings in which US persons may not engage unless authorised by OFAC or expressly exempted by statute. OFAC has the authority to grant exemptions to prohibitions on such transactions, either by issuing a general licence for certain categories of transactions, or by specific licences issued on a case-by-case basis. HSBC group of companies has adopted a policy of compliance with the sanctions issued by OFAC. As part of its policy, the Trustee may request for additional information if deemed necessary.

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

The Trustee is entitled to the fees set under the section on “Fees and expenses payable by the Bosera STAR 50 ETF” and to be reimbursed for all costs and expenses in accordance with the provisions of the Trust Deed.

The Manager has sole responsibility for making investment decisions in relation to the Trust and/or the Bosera STAR 50 ETF and the Trustee (including its delegate) is not responsible and has no liability for any investment decision made by the Manager. Except as provided in the Trust Deed or expressly stated in this Prospectus and/or required by the Code, neither the Trustee nor any of its employees, service providers or agents are or will be involved in the business affairs, organisation, sponsorship or investment management of the Trust or the Bosera STAR 50 ETF, and they are not responsible for the preparation or issue of this Prospectus other than the description under the section on “The Trustee and Registrar”.

Where a Bosera STAR 50 ETF invests directly into the PRC’s securities markets pursuant to the RQFII regime, the Trustee has put in place proper arrangements to ensure that:

(a) the Trustee takes into its custody or under its control the assets of the Bosera STAR 50 ETF, including onshore PRC assets which will be maintained by the PRC Custodian in electronic form via a securities account with the CSDCC and any assets deposited in a cash account with the PRC Custodian, and holds the same in trust for the relevant Unitholders;

(b) cash and registrable assets of the Bosera STAR 50 ETF, including assets deposited in the securities account with the CSDCC and cash of any Bosera STAR 50 ETF held by the PRC Custodian, are registered in the name of or held to the order of the Trustee; and

(c) the PRC Custodian will look to the Trustee for instructions and solely act in accordance with the Trustee’s instructions as provided under the PRC Participation Agreement.

The Custodian and PRC Custodian

In respect of the Bosera STAR 50 ETF, the Hongkong and Shanghai Banking Corporation Limited has been appointed by the Manager and the Trustee to act as the Custodian. The Custodian will be responsible for the safe custody of the assets managed by the Manager in connection with its RQFII status within the PRC under the RQFII scheme in accordance with the PRC Custodian Agreement. According to the PRC Custodian Agreement, the Custodian is entitled to utilise its local subsidiary or its associates within the HSBC group of companies, which as of the date of the PRC Custodian Agreement is the PRC Custodian (i.e. HSBC Bank (China) Company Limited), as its delegate for the performance of services under the PRC Custodian Agreement. The Custodian will act through its delegate (i.e. HSBC Bank (China) Company Limited), the PRC Custodian, and

remains responsible for any acts and omission of the PRC Custodian.

Neither the Custodian nor the PRC Custodian is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under the section "The Custodian and the PRC Custodian".

The Service Agent

HK Conversion Agency Services Limited acts as Service Agent under the terms of the Service Agreement entered into among the Manager, the Trustee, the Registrar, the Participating Dealer, the Service Agent and HKSCC. The Service Agent performs, through HKSCC, certain of its services in connection with the creation and redemption of Units in the Bosera STAR 50 ETF by Participating Dealers.

The Auditor

The Manager has appointed PricewaterhouseCoopers to act as the auditor of the Trust and the Bosera STAR 50 ETF (the "Auditor"). The Auditor is independent of the Manager and the Trustee.

The Participating Dealer

A Participating Dealer may act for its own account or for your account as its clients in making cash Creation Applications and cash Redemption Applications. The latest list of the Participating Dealers is available at www.bosera.com.hk/STAR50 (the contents of which has not been reviewed by the SFC).

The Market Maker

A Market Maker is a broker or dealer permitted by the SEHK to make a market for the Units in the secondary market and whose obligations include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid prices and offer prices for the Units on the SEHK. Market Makers facilitate the efficient trading of Units by providing liquidity in the secondary market when it is required, in accordance with the market making requirements of the SEHK.

Subject to applicable regulatory requirements, the Manager will use its best endeavours to put in place arrangements so that there is at all times at least one Market Maker for Units traded in RMB and one Market Maker for Units traded in HKD. If the SEHK withdraws its permit to the existing Market Maker(s), the Manager will use its best endeavours to put in place arrangements so that there is at least one other Market Maker to facilitate the efficient trading of Units in RMB and one other Market Maker to facilitate the efficient trading of Units in Hong Kong dollars. The Manager will seek to use its best endeavours to put in place arrangements so that at least one Market Maker per counter is required to give not less than three (3) months' prior notice to terminate market making under the relevant market making agreement. The latest list of Market Makers is available at www.hkex.com.hk and www.bosera.com.hk/STAR50 (the contents of which has not been reviewed by the SFC). Please refer to the section on "Website information" for the warning and the disclaimer regarding information contained in such websites.

Conflicts of interest and soft dollars

The Manager and the Trustee may, from time to time, act as manager, sub-investment manager, investment adviser, trustee or custodian or in such other capacity in connection with any collective investment scheme separate and distinct from the Trust and the Bosera STAR 50 ETF and retain any profit or benefit made in connection therewith.

In addition:

(a) The Manager or any of its Connected Persons may purchase and sell investments for the account of the Bosera STAR 50 ETF as agent for the Bosera STAR 50 ETF.

(b) The Trustee, the Manager and any of their Connected Persons may contract or enter into any financial, banking or other transaction with one another or with any Unitholder or any company or body any of whose shares or securities form part of the Bosera STAR 50 ETF's assets.

(c) The Trustee or the Manager or any of their Connected Persons may become the owner of Units and hold, dispose or otherwise deal with them with the same rights which it would have had if it had not been the Trustee or the Manager or any of their Connected Persons.

(d) The Trustee, the Manager and any of their Connected Persons may buy, hold and deal in any securities, commodities or other property for their own account or for the account of their other customers notwithstanding that similar securities, commodities or other property may be held by the Bosera STAR 50 ETF.

(e) Any arrangements for the borrowing or deposit of any monies for the account of the Bosera STAR 50 ETF may be made with any of the Trustee, the Manager, any investment adviser or any of their Connected Persons being a banker or other financial institution provided that such person shall charge or pay (as the case may be) interest or fees at a rate or amount no higher (in the case of a borrowing) or lower (in the case of a deposit) than the prevailing rates or amounts for transactions of a similar size and duration, in the same currency and with institutions of similar standing.

(f) Neither the Trustee nor the Manager nor any of their Connected Persons shall be liable to account to each other or to the Bosera STAR 50 ETF or to the Unitholders for any profits or benefits made or derived from or in connection with any such transaction mentioned above.

It is, therefore, possible that any of the Trustee, the Manager or any of their Connected Persons may, in the course of business, have potential conflicts of interest with the Bosera STAR 50 ETF. Each will, at all times, have regard in such event to its obligations to the Bosera STAR 50 ETF and the Unitholders and will endeavour to ensure that such conflicts are resolved fairly.

Subject to applicable rules and regulations, the Manager, its delegate or any of its Connected Persons may enter into portfolio transactions for or with the Bosera STAR 50 ETF as agent in accordance with normal market practice, provided that commissions charged to the Bosera STAR 50 ETF in these circumstances do not exceed customary full service brokerage rates. If a broker does not provide research or other lawful services in addition to brokerage execution, such broker will generally charge a brokerage commission that is discounted from customary full service brokerage rates. Where the Manager invests the Bosera STAR 50 ETF in shares or units of a collective investment scheme managed by the Manager, its delegates or any of its Connected Persons, the manager of the scheme in which the investment is being made by the Bosera STAR 50 ETF must waive any preliminary or initial charge which it is entitled to charge for its own account in relation to the acquisition of shares or units and there must be no increase in the overall total of annual management fees (or other costs and charges payable to the Manager or any of its Connected Persons) borne by the Bosera STAR 50 ETF.

None of the Manager, its delegates or any of its Connected Persons shall retain any cash commission rebates or other payment or benefit (except as otherwise provided for in this Prospectus or in the Trust Deed) received from a third party (either directly or indirectly) arising out of the sale or purchase or loan of investments for the Bosera STAR 50 ETF, and any such rebates or payments or benefits which are received shall be credited to the account of the Bosera STAR 50 ETF.

The Manager, its delegates or any of its Connected Persons may receive, and are entitled to retain, research products and services (known as soft dollar benefits) which are of demonstrable benefit to the Bosera STAR 50 ETF (as may be permitted under the Code, applicable rules and regulations) from brokers and other persons through whom investment transactions are carried out ("brokers") provided that the quality of transaction execution is consistent with best execution standards.

The services of the Trustee provided to the Trust and the Bosera STAR 50 ETF are not deemed

to be exclusive and the Trustee shall be free to render similar services to others so long as its services hereunder are not impaired thereby and to retain for its own use and benefit all fees and other moneys payable thereby and the Trustee shall not be deemed to be affected with notice of or to be under any duty to disclose to the Bosera STAR 50 ETF any fact or thing which comes to the notice of the Trustee in the course of the Trustee rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties under the Trust Deed.

Conflicts of interest may also arise due to the widespread business operations of the Trustee, the Manager, the Registrar and the Service Agent and their respective holding companies, subsidiaries and affiliates. The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of the Trust Deed, be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of the Bosera STAR 50 ETF will be on arm's length terms. For so long as the Bosera STAR 50 ETF is authorised by the SFC and it is an applicable requirement of the Code, the Manager, if transacting with brokers or dealers connected to the Manager, investment advisers or any of their respective Connected Persons, must ensure it complies with the following obligations:

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

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

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

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

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

(f) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the annual report of the Bosera STAR 50 ETF.

STATUTORY AND GENERAL INFORMATION

Reports

The financial year-end of the Trust and the Bosera STAR 50 ETF is 31 December every year, commencing December 2013. Audited financial reports are to be prepared (according to IFRS) and published on the Manager's website within four (4) months of each financial year-end. Half-yearly unaudited financial reports are also to be prepared up to 30 June of each year and published on the Manager's website within two (2) months of such date. Once these financial reports are made available on the Manager's website, investors will be notified within the relevant timeframe.

The first audited financial reports and the first half-yearly unaudited financial reports were for the year end 31 December 2013 and half year 30 June 2014 respectively.

Only an English version of the audited financial reports and the half-yearly unaudited financial reports of the Bosera STAR 50 ETF will be available. Printed copies may be requested free of charge from the Manager by contacting it, as described below under "Notices".

The financial reports provide details of the assets of the Bosera STAR 50 ETF and the Manager's statement on transactions during the period under review (including a list of any constituent Securities of the Index, if any, that each accounts for more than 10% of the weighting of the Index as at the end of the relevant period and their respective weighting showing any limits adopted by the Bosera STAR 50 ETF have been complied with). The financial reports shall also provide a comparison of the Bosera STAR 50 ETF's performance and the actual Index performance over the relevant period and such other information as is required under the Code.

Trust Deed

The Trust and the Bosera STAR 50 ETF were established under Hong Kong law by the Trust Deed made between the Manager and the Trustee. All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed. The Trust Deed contains provisions for the indemnification of the Trustee and the Manager out of the assets of the Trust Fund and their relief from liability in certain circumstances (summarised below in "Indemnities of the Trustee and Manager"). Unitholders and intending applicants are advised to consult the terms of the Trust Deed.

Indemnities of the Trustee and Manager

The Trustee and the Manager benefit from various indemnities in the Trust Deed. Except as provided under the Trust Deed, the Trustee and the Manager shall be entitled to be indemnified out of, and have recourse to, the Trust Fund in respect of any action, costs, claims, damages, expenses or demands arising directly or indirectly from the proper performance of the Bosera STAR 50 ETF. Nothing in the Trust Deed may provide that either the Trustee or the Manager (as the case may be) shall be exempted from or enjoy any indemnity against any liability for breach of trust or any liability which by virtue of any rule of Hong Kong law would arise in respect of any negligence, fraud, default, breach of trust of which either may be liable in relation to its duties.

Modification of the Trust Deed

The Trustee and the Manager may agree to modify, alter or add to the provisions of the Trust Deed by supplemental deed provided that in the opinion of the Trustee and the Manager such modification, alteration or addition (i) does not materially prejudice the interests of Unitholders, does not operate to release to any material extent the Trustee or the Manager or any other person from any responsibility to the Unitholders and (with the exception of the costs incurred in connection with the relevant supplemental deed) does not increase the costs and charges payable out of the assets of the Bosera STAR 50 ETF or (ii) is necessary in order to make possible compliance with any fiscal, statutory, regulatory or official requirement (whether or not having the force of law) or (iii) is made to correct a manifest error. In all other cases, modifications, alterations and additions involving material changes require the sanction of an extraordinary resolution of the Unitholders affected. The SFC must (where such approval is required) also give its prior approval

to all amendments to the Trust Deed.

To the extent required in advance or as soon as practicable after the relevant amendment is made, the Manager will notify affected Unitholders of the amendments if such notification is required under the Code.

Name of the Trust and Bosera STAR 50 ETF

Under the Trust Deed the Manager may, on notice to the Trustee, change the name of the Trust and the Bosera STAR 50 ETF.

Meetings of Unitholders

Proxies may be appointed. A Unitholder who is the holder of two or more Units may appoint more than one proxy to represent him and vote on his behalf at any meeting of the Unitholders. If a clearing house (or its nominee(s)), being a corporation, is a Unitholder, it may authorise such persons as it think fit to act as its representatives at any meeting of the Unitholders provided that, if more than one person is so authorised, the authorisation shall specify the number and class of Units in respect of which each such representative is so authorised. Each person so authorised shall be deemed to have been duly authorised without further evidence of the facts and shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person were the registered Unitholder of the Units held by the clearing house (or its nominee(s)), including the right to vote individually on a show of hands or on a poll.

Voting rights

Unitholders' meetings may be convened by the Manager, by the Trustee or by Unitholders representing at least 10% of the Units in issue, on not less than twenty-one (21) days' notice.

These meetings may be used to modify the terms of the Trust Deed, including increasing the maximum fees payable to the service providers, removing the Manager or terminating the Bosera STAR 50 ETF at any time. Such amendments to the Trust Deed must be considered by Unitholders of at least 25% of the Units in issue and passed by a 75% majority of the votes cast.

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

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

Termination

The Trust may be terminated by the Trustee if: (i) the Manager goes into liquidation or a receiver is appointed and not discharged within sixty (60) days or (ii) in the opinion of the Trustee, the Manager is incapable of performing its duties satisfactorily or (iii) the Manager has failed to perform its duties satisfactorily or has, in the opinion of the Trustee, done something calculated to bring the Trust into disrepute or that is harmful to the interests of Unitholders or (iv) a law is passed that renders it illegal, or in the opinion of the Trustee and the Manager, impracticable or inadvisable to continue the Trust or (v) the Trustee is unable to find an acceptable person to replace the Manager within thirty (30) days after the removal of the Manager, or the person nominated shall fail to be approved by extraordinary resolution or (vi) sixty (60) days after the Trustee notifies the Manager of its intention to retire, no new person willing to act as trustee has been identified.

The Manager may terminate the Trust if: (i) after one year from the date of the Trust Deed, the aggregate Net Asset Value of all the Units in each sub-fund is less than RMB150 million; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Trust and which renders the Trust illegal or in the good faith opinion of the Manager, makes it impracticable or inadvisable to continue the Trust; or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed.

The Manager may, in its absolute discretion, by notice in writing to the Trustee, terminate the Bosera STAR 50 ETF if: (i) after one year from the date of establishment of the Bosera STAR 50 ETF, the aggregate Net Asset Value of all the Units in the Bosera STAR 50 ETF is less than RMB150 million; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Bosera STAR 50 ETF and which renders the Bosera STAR 50 ETF illegal or in the good faith opinion of the Manager makes it impracticable or inadvisable to continue the Bosera STAR 50 ETF; (iii) its Index is no longer available for benchmarking or if the Units of the Bosera STAR 50 ETF are no longer listed on the SEHK or any such other stock exchange from time to time determined by the Manager; (iv) at any time, the Bosera STAR 50 ETF ceases to have any Participating Dealer; or (v) the Manager is unable to implement its investment strategy. Further, the Unitholders may at any time authorise termination of the Trust or the Bosera STAR 50 ETF by extraordinary resolution.

The Trustee may, in its absolute discretion, by notice in writing to the Manager, terminate the Bosera STAR 50 ETF if: (i) the Trustee forms the opinion for good and sufficient reason that the Manager is incapable of performing its duties satisfactorily in respect of the Bosera STAR 50 ETF; (ii) the Trustee forms the opinion for good and sufficient reason that the Manager has failed to perform its duties satisfactorily in respect of the Bosera STAR 50 ETF or has done something calculated to bring the Bosera STAR 50 ETF into disrepute or that is harmful to the interests of Unitholders of the Bosera STAR 50 ETF; or (iii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Bosera STAR 50 ETF and which renders the Bosera STAR 50 ETF illegal or in the good faith opinion of the Trustee makes it impracticable or inadvisable to continue the Bosera STAR 50 ETF.

Notice of the termination of the Trust or the Bosera STAR 50 ETF will be given to the Unitholders after the SFC has approved the notice. The notice will contain the reasons for the termination, the consequences to Unitholders of terminating the Trust or the Bosera STAR 50 ETF and the alternatives available to them, and any other information required by the Code. Any unclaimed proceeds or other monies held by the Trustee in the event of a termination may at the expiration of twelve calendar months from the date upon which the same became payable be paid into court.

Distribution policy

The Manager intends to distribute income to Unitholders at least annually having regard to the Bosera STAR 50 ETF's net income after fees and costs. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in RMB only. Each Unitholder will receive distributions in RMB only (whether holding RMB traded Units or HKD traded Units). Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

The Manager intends to distribute dividends to Unitholders from net income. Dividends may, however, be paid out of capital or effectively out of capital. The Manager may make cash distributions to Unitholders out of income or capital (or partly out of income and partly out of capital) of the Bosera STAR 50 ETF as the Manager considers appropriate. The Manager may also make cash distributions to Unitholders out of gross income (while charging/paying all or part of the Bosera STAR 50 ETF's fees and expenses to/out of the capital of the Bosera STAR 50 ETF) resulting in an increase in distributable income for the payment of distributions which is in effect a payment out of capital.

Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Bosera STAR 50 ETF's capital or effectively out of capital may result in an immediate reduction of the Net Asset Value per Unit.

The composition of dividends payable on Units (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital), if any, for the last twelve (12) months are available from the Manager on request and are also published on the Manager's website

www.bosera.com.hk/STAR50 (the contents of which has not been reviewed by the SFC). The Manager may amend the Bosera STAR 50 ETF's distribution policy with respect to the distribution out of capital of the Bosera STAR 50 ETF subject to the SFC's prior approval and by giving not less than one (1) month's prior notice to Unitholders.

Inspection of documents

Copies of the following documents are available for inspection free of charge at the offices of the Manager copies thereof may be obtained from the Manager at a cost of HKD150 per set of copy documents:

(a) Trust Deed;

(b) PRC Participation Agreement;

(c) PRC Custodian Agreement;

(d) Participation Agreements; and

(e) The most recent annual financial reports of the Trust and the Bosera STAR 50 ETF (if any) and the most recent interim financial reports of the Trust and the Bosera STAR 50 ETF (if any).

Part XV of the SFO

Part XV of the SFO sets out the Hong Kong disclosure of interests' regime applicable to Hong Kong listed companies. The regime does not apply to unit trusts that are listed on the SEHK like the Trust. Consequently, Unitholders are not obliged to disclose their interest in the Bosera STAR 50 ETF.

Liquidity risk management

The Manager has put in place measures to effectively manage the liquidity risk of each sub-fund. The Manager's risk management function monitors the implementation of liquidity risk management policies on a day-to-day basis. The risk management function regularly communicates with the portfolio managers on each sub-fund's liquidity risk issues. The Manager also has in place liquidity risk management tools (such as those described under the "Deferred Redemption" section) which allow the Manager to process redemptions in an orderly manner and to ensure that all investors are treated fairly.

On an on-going basis, the Manager's risk management function will assess each sub-fund's liquidity position against internal liquidity indicators. The Manager may consider a range of quantitative metrics and qualitative factors in arriving at a liquidity assessment. The quantitative metrics that the Manager may consider include, where available, the underlying asset's issue size, bid-ask spreads, transaction cost, the number of market makers, each sub-fund's holding as a proportion of the outstanding issuance, market status, and holding as a proportion of average trading volume, etc. The Manager supplements the available quantitative data with its professional judgment and other qualitative factors such as the overall market conditions, the applicable regulatory requirements, and the currency denomination. The Manager classifies each sub-fund's assets into different liquidity categories using the generic categories of low, medium, high liquidity, and illiquidity, and sets indicators on the minimum and maximum holding of assets that belong to each of these liquidity categories, taking into account the historical liquidity demands and expected future liquidity demands of each sub-fund under likely future market conditions. Where a sub-fund is unable to meet the targets, the Manager will report the incident to the senior management who perform the oversight role for consideration in a timely manner. Policies will be put in place and documentation will be maintained on the assessments. The Manager will also perform liquidity stress testing on each sub-fund on an ongoing basis. The liquidity management tools mentioned above will also be subject to ongoing review taking into account the stress test results.

The liquidity stress testing policy should at least prescribe the following:

(i) design of stress test scenario analysis based on backward-looking historical market conditions and redemption demands of the fund, etc., and taking into account possible forward-looking scenarios;

(ii) empirical approach to impact assessment, including back-testing of liquidity risk estimates;

(iii) reporting frequency and reporting mechanism; and

(iv) liquidity management tools and contingency planning in response to significant redemption requests.

Anti-money laundering regulations

As part of the Manager's, the Trustee's and the Participating Dealer's responsibility for the prevention of money laundering and to comply with all applicable laws to which the Manager, the Trustee, the Bosera STAR 50 ETF or the relevant Participating Dealer is subject, the Manager, the Registrar, the Trustee or the relevant Participating Dealer may require a detailed verification of an investor's identity and the source of payment of any applications for Units. Depending on the circumstances of each application, a detailed verification might not be required where:

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

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

These exceptions apply only if the financial institution or intermediary is within a country recognised by the Trustee and the Manager as having sufficient anti-money laundering regulations.

Index licence agreement

The Manager has entered into a license agreement with the Index Provider, China Securities Index Co., Ltd. The term of the licence agreement commenced on 1 January 2021.

The licence agreement has an initial term of three (3) year and thereafter renewable annually by an additional period for two (2) years until terminated by either party giving one month's prior notice to the other party or otherwise terminated in accordance with the license agreement.

The Index Provider may terminate the license agreement under the circumstances listed below:

(a) The Index Provider may terminate the licence agreement forthwith if:

(i) the Manager ceases to develop or manage the Bosera STAR 50 ETF (in which case the Manager shall use its reasonable effort to give 60 days' prior notice to the Index Provider of such fact);

(ii) the Bosera STAR 50 ETF no longer maintain its listing status on the SEHK (in which case the Manager shall use its reasonable effort to give 60 days' prior notice to the Index Provider of such fact);

(iii) the Manager change the underlying index of the Bosera STAR 50 ETF (in which case the Manager shall use its reasonable effort to give 60 days' prior notice to the Index Provider of such fact);

(iv) CSRC and/or SSE requires the Index Provider to cease the authorised use of the Index by the Manager in respect of the Bosera STAR 50 ETF;

(v) there is a major lawsuit or major administrative supervision investigation against the Bosera STAR 50 ETF; or

(vi) the Manager is found to be in material breach of any applicable laws, regulations or

rules including the trading rules of SSE.

(b) Either party may terminate the licence agreement forthwith if:

(i) the Index Provider loses the relevant rights and interests in the Index; or

(ii) the other party suffers from an "insolvency event" (as defined in the licence agreement).

Material changes to the Index

The SFC should be consulted on any events that may affect the acceptability of the Index. Significant events relating to the Index will be notified to the Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Index, or a change in the objective or characteristics of the Index.

Replacement of Index

The Manager reserves the right, with the prior approval of the SFC and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Index with another index in accordance with the provisions of the index licence agreement. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Index ceasing to exist;

(b) the licence to use the Index being terminated;

(c) a new index becoming available that supersedes the existing Index;

(d) a new index becoming available that is regarded as the market standard for investors in the particular market and/or would be regarded as more beneficial to the Unitholders than the existing Index;

(e) investing in the Securities comprised within the Index becomes difficult;

(f) the Index Provider increasing its licence fees to a level considered too high by the Manager;

(g) the quality (including accuracy and availability of the data) of the Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Index rendering that index unacceptable in the opinion of the Manager; and

(i) the instruments and techniques used for efficient portfolio management not being available.

The Manager may change the name of the Bosera STAR 50 ETF if the Index changes or for any other reasons including if licence to use the Index is terminated. Any change to (i) the use by the Bosera STAR 50 ETF of the Index and/or (ii) the name of the Bosera STAR 50 ETF will be notified to investors.

Information available on the Internet

The Manager will publish important news and information with respect to the Bosera STAR 50 ETF (including in respect of the Index), both in the English and in the Chinese languages, on the Manager's website at www.bosera.com.hk/STAR50 (which has not been reviewed by the SFC) including:

(a) this Prospectus and the product key fact statement in respect of the Bosera STAR 50 ETF (as revised from time to time);

(b) the latest annual and semi-annual financial reports (in English only);

(c) any notices for material alterations or additions to this Prospectus or the Bosera STAR 50 ETF's constitutive documents;

(d) any public announcements made by the Bosera STAR 50 ETF, including information with regard to the Bosera STAR 50 ETF and Index, notices of the suspension of the calculation of the Net Asset Value, changes in fees and the suspension and resumption of trading;

(e) the near real time indicative Net Asset Value per Unit throughout each Dealing Day in RMB and in HKD;

(f) the last Net Asset Value of the Bosera STAR 50 ETF in RMB only and the last Net Asset Value of per Unit of the Bosera STAR 50 ETF in RMB and in HKD;

(g) the tracking difference and tracking error of the Bosera STAR 50 ETF;

(h) full portfolio information of the Bosera STAR 50 ETF (updated on a daily basis); and

(i) the latest list of the Participating Dealers and Market Makers.

The near real time indicative Net Asset Value per Unit in HKD, under (e) above, is indicative and for reference only. This is updated during SEHK trading hours and is calculated using the indicative Net Asset Value per Unit in RMB multiplied by an assumed foreign exchange rate (i.e. not a real time exchange rate) being the exchange rate quoted by Reuters for offshore RMB (CNH) at 3:00 p.m. (Hong Kong time) as of the previous trading day on the SEHK. Since the indicative Net Asset Value per Unit in RMB will not be updated when the underlying A-Shares market is closed, the change in the indicative Net Asset Value per Unit in HKD (if any) during such period is solely due to the change in the assumed foreign exchange rate.

The last Net Asset Value per Unit in HKD, under (f) above, is indicative and for reference only and is calculated using the official last Net Asset Value per Unit in RMB multiplied by an assumed foreign exchange rate (i.e. not a real time exchange rate) being the exchange rate quoted by Reuters for offshore RMB (CNH) at 3:00 p.m. (Hong Kong time) as of the same Dealing Day. Similarly, the last Net Asset Value per Unit in RMB and the last net Asset Value per Unit in HKD will remain unchanged during the period when the A-Share market is closed.

Real-time updates about the Index can be obtained through other financial data vendors. It is your own responsibility to obtain additional and the latest updated information about the Index (including without limitation, a description of the way in which the Index is calculated, any change in the composition of the Index, any change in the method for compiling and calculating the Index) via the website www.bosera.com.hk/STAR50 (the contents of which has not been reviewed by the SFC). Please refer to the section on "Website information" for the warning and the disclaimer regarding information contained in such website.

Notices

All notices and communications to the Manager and Trustee should be made in writing and sent to the following addresses:

Manager	***Trustee***
Bosera Asset Management (International) Co., Limited	HSBC Institutional Trust Services (Asia) Limited
Suite 4109, Jardine House One Connaught Place Central Hong Kong	1 Queen's Road Central Hong Kong

Website information

The offer of the Units is made solely on the basis of information contained in this Prospectus. All references in this Prospectus to other websites and sources where further information may be obtained are merely intended to assist you to access further information relating to the subject matter indicated and such information does not form part of this Prospectus. None of the Manager or the Trustee accepts any responsibility for ensuring that the information contained in such other websites and sources, if available, is accurate, complete and/or up-to-date, and no liability is accepted by the Manager and the Trustee in relation to any person's use of or reliance on the information contained in these other websites and sources save, in respect of the Manager, its website www.bosera.com.hk/STAR50. The information and materials included in these websites have not been reviewed by the SFC or any regulatory body. You should exercise an appropriate degree of caution when assessing the value of such information.

TAXATION

The following summary of taxation is of a general nature, and for information purposes only, and is not intended to be an exhaustive list of all the tax considerations that may be relevant to a decision to purchase, own, realise or otherwise dispose of Units. The summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of Unitholders. Prospective Unitholders should consult their professional advisers on the consequences to them of acquiring, holding, redeeming, transferring or selling Units under the relevant laws of Hong Kong as well as the relevant jurisdiction(s) to which they are subject, including the tax consequences and any exchange control requirements. These consequences, including the availability of, and the value of, tax relief to investors, will vary with the law and practice of the investors' country of citizenship, residence, domicile or incorporation and their personal circumstances. The following statements regarding taxation are based on advice received by the Manager regarding the law and practice in force in Hong Kong, Mainland China and also regarding FATCA and related laws at the date of this Prospectus. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Prospectus. Furthermore, tax laws can be subject to different interpretations and no assurance can be given that the relevant tax authorities will not take a contrary position to the tax treatment described below.

Hong Kong taxation

Taxation of the Trust and the Bosera STAR 50 Index ETF

Profits Tax

As the Trust and the Fund have been authorised as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Trust and the Fund are exempt from Hong Kong profits tax pursuant to Section 26A(1A)(a) of the Inland Revenue Ordinance ("IRO").

Stamp Duty

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

Pursuant to a remission order issued by the Secretary for the Treasury on 20 October 1999, transfer of Hong Kong stocks to the Trust and/or the Fund in exchange for issue of Units or transfer of Hong Kong stocks from the Trust and/or the Fund in consideration for redemption of Units is exempt from Hong Kong Stamp Duty.

No Hong Kong Stamp Duty is payable by the Trust and the Fund on an issue or redemption of Units.

Taxation of the Unitholders

Profits tax

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

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

Distributions made by the Trust or the Fund should generally not be subject to Hong Kong profits tax in the hands of Unitholders according to the practice of the IRD (as at the date of this Prospectus).

Stamp duty

Under the Stamp Duty (Amendment) Ordinance 2015 stamp duty payable in respect of any contract notes or instruments of transfer relating to transactions in the shares or units of an exchange traded fund (as defined in Part 1 to Schedule 8 of the Stamp Duty Ordinance) on the SEHK is not payable. Accordingly transfers of Units in any Sub-Fund (which is an exchange traded fund as defined in Part 1 to Schedule 8 of the Stamp Duty Ordinance) will not attract stamp duty and no stamp duty is payable by Unitholders.

Unitholders should take advice from their own professional advisers as to their particular tax position.

Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No.3) Ordinance (the "Ordinance") came into effect on 30 June 2016. The Ordinance together with the later amendments is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("AEOI"). The AEOI comprises, among others, the model Competent Authority Agreement ("CAA") and Common Reporting Standard ("CRS"). In addition, IRD published guidance for financial institutions ("FIs") on 9 September 2016 which is updated and amended from time to time to provide guidance to them for complying with the CRS obligations. The AEOI requires FIs in Hong Kong to obtain certain information and documentation relating to non-Hong Kong tax residents holding financial accounts with the FIs, and report the required information to the IRD for the purpose of automatic exchange. Generally, the information will be reported and automatically exchanged in respect of account holders that are tax residents in a reportable jurisdiction(s) with which Hong Kong has a Multilateral CAA or bilateral agreement in force; however, a Sub-Fund and/or its agents may further obtain information and/or documentation relating to the residents of other jurisdictions that are not resident in a reportable jurisdiction for CRS purposes in Hong Kong.

The Trust is required to comply with the requirements of the Ordinance, which means that the Trust and/or its agents shall obtain and provide to the IRD the required information relating to Unitholders. The Ordinance requires the Trust to, amongst other things, (i) register the Trust as a "Reporting Financial Institution" with the IRD to the extent the Trust maintains reportable financial accounts; (ii) conduct due diligence on its account holders (i.e. Unitholders) in order to determine whether any of their relevant financial accounts are regarded as "Reportable Accounts" under the Ordinance; and (iii) report to the IRD the required information of such Reportable Accounts. The IRD is expected on an annual basis to exchange the required information reported to it to the competent authorities of the respective reportable jurisdictions. Broadly, AEOI requires that Hong Kong FIs should report on: (i) individuals or entities that are tax residents in a reportable jurisdiction; and (ii) certain entities controlled by individuals who are tax residents in such jurisdictions. Under the Ordinance, details of Unitholders, including but not limited to their name, place of birth, date of birth, address, tax residence, tax identification number(s) (if any), account number, account balance/value regarding their interest in the Trust, and income or sale or redemption proceeds received from the Trust, should be reported to the IRD and subsequently exchanged with competent authorities in the relevant jurisdictions.

By investing in a Sub-Fund and/or continuing to invest in a Sub-Fund, Unitholders acknowledge that they may be required to provide additional information or documents to the Trust and/or its agents in order for the Trust to comply with the Ordinance. A Unitholders's information (and information on controlling persons including beneficial owners, beneficiaries, direct or indirect Unitholders or other persons associated with such Unitholders that are passive non-financial entities as defined under the Ordinance) may be exchanged by the IRD to the competent authorities in the relevant reportable jurisdictions.

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

Mainland China Taxation

The following is based on the Manager's understanding of and certain aspects of the tax laws, regulations and practice currently in force in the PRC. No guarantee can be given that the tax position at the date of this Prospectus or at the time of an investment will endure indefinitely.

In the PRC, under the current regulatory environment, foreign investors are allowed to invest in China A-Shares, bonds and certain financial instruments through QFII/RQFII, Stock Connect and Bond Connect schemes.

With the implementation of the new QFII/RQFII scheme from 1 November 2020, foreign institutional investors are allowed to invest in more diversified financial instruments, including certain derivatives products, etc. Following that, investments including commodity futures, commodity options and stock options in exchange market are also allowed for QFII/RQFII.

Under the prevailing PRC tax regimes, foreign investment in China A-Shares, bonds and other financial instruments would normally be subject to Corporate Income Tax ("CIT"), Withholding Income Tax ("WHT"), Value Added Tax ("VAT") and Stamp Duty ("SD").

General China Taxation

Corporate Income Tax ("CIT")

Under the prevailing PRC CIT Law, a China Tax Resident Enterprise ("TRE") is subject to CIT on its worldwide income. A foreign enterprise with a "place of effective management" within the PRC is also regarded as a China TRE.

The "place of effective management" refers to the place where the exercise, in substance, of the overall management and control of the production and business operation, personnel, accounts and assets is located.

A non-TRE with an establishment or a place of business in China shall pay CIT on income derived by such establishment or place from sources in China as well as income derived from outside China that is effectively connected with such establishment or place.

An "establishment or place" is defined under PRC CIT regulations as an establishment or place in China engaging in production and business operations, including management and business organisations, offices, places where natural resources are exploited, labour services are rendered, contractor projects are undertaken, and other establishments or places where production and business activities are undertaken. Business agents who regularly sign contracts, store and deliver goods, etc. on behalf of non-TREs would also be regarded as creating an establishment or place of business in China under CIT law/regulations.

Under the CIT law, the standard CIT rate is 25%.

A non-TRE that has no establishment or place in China is taxed only on its China-source income. A unilateral concessionary rate of 10% WHT will be applied on gross income derived from dividends, interest and other China-source passive income unless any specific exemption or reduction is available under current PRC tax laws, or tax treaties or tax arrangements.

The Trust together with the Manager, do not intend to operate in a way that would cause a Sub-Fund to be treated as a PRC tax resident enterprise or to have an establishment or a place in the

PRC, although this cannot be guaranteed. It is possible, however, that the PRC tax authority could disagree with such an assessment or that changes in Mainland China tax law could affect the PRC CIT status of a Sub-Fund.

If the Sub-Fund does not have a place of effective management, an establishment or a place of business in the Mainland China, the Sub-Fund will normally be regarded as a non-TRE.

Generally, QFIIs/RQFIIs would be subject to PRC WHT at 10% on its gross income from dividends, interest and capital gains realised from the disposal of the Units in the PRC investee companies unless reduced/waived under China tax laws and regulations or relevant tax treaties/tax arrangements.

Value-added Tax ("VAT")

In Mainland China, VAT payers are classified into general payers and small scale payers. They are subject to different VAT calculation methods and different VAT rates.

Being an overseas entity, the Trust and the Sub-Fund are subject to VAT at 6% which is applicable to general payers on the gains derived from trading financial products in PRC (including trading equity or equity-linked securities) and various interest income from China. According to Circular Caishui [2016] No. 36 ("Circular 36"), deposit interest income is not subject to VAT. Interest income derived from government bonds and local government bonds are exempted from VAT. Other VAT-exempted regulations for different types of income are as follows.

VAT surcharges including Urban Maintenance and Construction Tax ("UMCT"), Educational Surcharge ("ES") and Local Educational Surcharge ("LES")) are no longer applicable for a foreign taxpayer from 1st September 2021.

Stamp Duty ("SD")

The SD law of the PRC took into effect from 1 July 2022. According to SD Law, SD is levied on the execution or receipt in China of certain documents. In the case of contracts for sale of A-shares and B-shares, SD is currently imposed on the seller side only, at the rate of 0.1%. Where there is no transfer price for securities transactions, the SD basis should be calculated based on the closing price of the previous transaction day at the time of completing the transfer registration; where there is no closing price, SD basis should be calculated on the par value of the securities.

The sale or purchase of PRC domestic bonds investments does not fall in the SD taxable scope and are not subject to PRC SD.

<u>A-Shares investments via QFII/RQFII</u>

Capital gains

According Circular Caishui [2014] No. 79 ("Circular 79"), effective from 17 November 2014, QFIIs/RQFIIs are temporarily exempt from the PRC WHT on the capital gains derived from trading A-Shares and other PRC equity-linked investments, provided that QFIIs/RQFIIs do not have a place or an establishment in the PRC or the relevant capital gains are not connected to their places or establishments in the PRC. However, it is uncertain how long such temporary exemption will last and whether it will be repealed and re-imposed retrospectively.

According to Circular Caishui [2016] No. 36 and Caishui [2016] No. 70, QFII/RQFII are exempt from VAT on their income derived from entrusting PRC domestic companies to conduct securities trading in the PRC.

Dividends

Dividends derived by overseas investors from China A-Shares via QFII/RQFII are subject to WHT at 10% unless reduced under a tax treaty or tax arrangement. Under the current China tax regulations, China A-Shares listed companies are required to withhold and settle such WHT with China tax authorities.

Dividends from China equity investment is not subject to VAT.

A-Shares investment via Stock Connect

Capital gains

According to Circular Caishui [2014] No. 81 ("Circular 81") and Circular Caishui [2016] No. 127 ("Circular 127"), overseas investors are temporarily exempt from PRC WHT on the gains from trading A-Shares via Shanghai/HK Stock Connect and Shenzhen/HK Stock Connect schemes. However, it is uncertain how long the temporary exemption will last, and whether it will be repealed and re-imposed retrospectively.

Investors from Hong Kong market are exempt from VAT on gains from trading China A-Shares through Shanghai/HK Stock Connect and Shenzhen/HK Stock Connect schemes during the pilot period of VAT reform since 2016. However, it is uncertain how long such VAT exemption will last and whether it will be repealed and re-imposed retrospectively.

Dividends

Dividends derived by overseas investors from China A-Shares via Stock Connects are subject to WHT at 10%, which are not subject to VAT.

China Bonds Investment via Bond Connect and QFII/RQFII

Interest

According to Circular Caishui [2021] No.34, interest income derived by overseas investors from the domestic bond market through foreign institute investors (including QFII/RQFII or Bond Connect channels) are temporarily exempt from CIT and VAT during the period from 7 November 2021 to 31 December 2025 provided that such bond interests are not derived by the establishment or place of business of the overseas investors in the PRC or effectively connected with such establishment or place. However, it is uncertain whether this temporary exemption will be further extended after expiration.

Capital gains

In China, there are no specific tax rules granting CIT exemption on capital gains derived from trading debt instruments. In practice, it is more likely than not such gains derived by foreign investors would be regarded as non-PRC sourced income and not subject to PRC CIT.

The above complements with the Operational Procedures for Overseas Institutional Investors to Enter China's Inter-bank Bond Market prescribed by the PBOC in November 2017, which indicated that capital gains derived by overseas investors from trading the domestic bond market investments through Inter-bank Bond Market is temporarily exempt from CIT and VAT during the pilot period of VAT reform since 2016. However, it is uncertain how long the exemption will last and whether it will be repealed and re-imposed retrospectively.

Without the exemption described above, interest or capital gain derived by overseas investors through holding or trading the PRC bonds would be subject to WHT at the rate of 10% unless reduced under a tax treaty or tax arrangement.

Investment in New Assets' Classes

In China, new QFII scheme became effective on 1 November 2020 with significant changes, including the consolidation of previous QFII and RQFII schemes and expansion of QFII's investment scope, etc. New asset classes refer to the expanded investment scope under the new QFII scheme.

However, the prevailing PRC CIT and VAT exemption policies may not cover all the income derived from new permissible asset classes after the implementation of new QFII/RQFII scheme. Therefore, depending on the structure of market access products, income derived from new asset classes and other diversified financial instruments (e.g. swaps, derivatives), might not be fully covered by the prevailing China CIT and VAT exemption treatment. It is subject to clarification of regulatory and tax authorities.

It should also be noted that the actual PRC taxes imposed by China tax authorities may be different and may change from time to time. There is a possibility of regulatory changes and PRC taxes being applied retrospectively. There are also risks and uncertainties associated with the current PRC tax laws, regulations and practice. Such changes or uncertainties may result in higher taxation on PRC investments than currently contemplated. As such, any provision for taxation made by the Manager may be excessive or inadequate to meet ultimate PRC tax liabilities. Consequently, investors may be advantaged or disadvantaged depending upon the ultimate PRC tax liabilities, the level of provision and when they subscribed and/or redeemed their Units in the Sub-Fund.

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

FATCA

The United Stated ("US") Hiring Incentives to Restore Employment Act (the "HIRE Act") was signed into US law in March 2010 and includes provisions commonly referred to as the "Foreign Account Tax Compliance Act" or "FATCA". Broadly, the FATCA provisions are set out in sections 1471 to 1474 of the US Internal Revenue Code of 1986, as amended (the "Revenue Code"), which impose a reporting regime with respect to certain payments to foreign financial institutions (each an "FFI"), such as the Bosera STAR 50 Index ETF, including interests and dividends from securities of US issuers and potentially in the future gross proceeds from the sale of such securities. All such payments may be subject to withholding at a rate of 30%, unless the recipient of the payment satisfies certain requirements intended to enable the US Internal Revenue Service (the "IRS") to identify United States persons (within the meaning of the Revenue Code) ("US persons") with interests in such FFIs. To avoid such withholding on payments made to it, FFIs (including banks, brokers, custodians and investment funds) located in jurisdictions that have not signed an intergovernmental agreement ("IGA") for implementation of FATCA, will be required to enter into an FFI agreement (an "FFI Agreement") with the IRS to be treated as a participating FFI ("Participating FFI"). Participating FFIs are required to identify all investors that are US persons and report certain information concerning such US persons to the IRS. Such information to be reported includes but not limited to their name, date and jurisdiction of birth, address, tax identification number, account details, account balance/value, and income or sale or redemption proceeds. The FFI Agreement will also generally require that a Participating FFI deduct and withhold 30% from certain payments made by the Participating FFI to investors who fail to cooperate with certain information requests made by the Participating FFI. Moreover, Participating FFIs may be required to deduct and withhold such payments made to investors that are themselves FFIs but that have not entered into an FFI Agreement with the IRS or that are not otherwise deemed compliant with FATCA (i.e. a "nonparticipating FFI").

FATCA withholding applies to (i) payments of US source income, including US source dividends and interest, made after 30 June 2014; and (ii) potentially in the future payments of gross proceeds

of sale or other disposal of property that can produce US source income. The 30% withholding could also in the future apply to payments otherwise attributable to US source income (also known as "foreign passthru payments"), though the US tax rules on "foreign passthru payments" are currently pending. Withholding agents (which may include Participating FFIs) will generally be required to begin withholding on certain withholdable payments made after 30 June 2014. The first reporting deadline for FFIs that have entered into the FFI Agreement was 31 March 2015 with respect to information relating to the 2014 calendar year.

The US and a number of other jurisdictions have entered into IGAs. The US Department of the Treasury and Hong Kong have on 13 November 2014 signed a Model 2 IGA (the "HK IGA"). The HK IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. Under the HK IGA, FFIs in Hong Kong (such as the Bosera STAR 50 Index ETF) would register with the IRS to be subject to the terms of an FFI Agreement with the IRS and comply with the terms of such FFI Agreement. Otherwise they will be subject to a 30% withholding tax on relevant US source payments to them.

Under the HK IGA, it is expected that FFIs in Hong Kong (such as the Bosera STAR 50 Index ETF) complying with an FFI Agreement will generally not be required to withhold tax on withholdable payments to non-consenting US accounts (i.e. certain accounts of which the holders do not consent to FATCA reporting and disclosure to the IRS) or close such non-consenting US accounts (provided that information regarding the non-consenting US accounts is reported to the IRS according to the terms of the HK IGA), but may be required to withhold tax on payments made to non-compliant FFIs.

Even though the HK IGA has now been signed between Hong Kong and the US, withholding may apply to withholdable payments covered by FATCA if Bosera STAR 50 Index ETF cannot satisfy the applicable requirements and is determined to be non-FATCA compliant or if the Hong Kong government is found in breach of the terms of the HK IGA.

Bosera STAR 50 Index ETF has been registered with the IRS as at the date of this Prospectus. In order to protect Unitholders and avoid being subject to withholding under FATCA, it is the Manager's intention to endeavour to satisfy the requirements imposed under FATCA. Hence it is possible that this may require Bosera STAR 50 Index ETF (through its agents or service providers) as far as legally permitted, to report information on the holdings or investment returns of any Unitholder to the IRS or the local authorities (e.g. the IRD) pursuant to the terms of the HK IGA. It is also possible that Bosera STAR 50 Index ETF may be required to compulsorily redeem and/or apply withholdings to payments to Unitholders who fail to provide the information and documents required to identify their status, or who are nonparticipating FFIs or who fall within other categories specified in the FATCA provisions and regulations. Any such compulsory redemption and/or withholding will be done in accordance with applicable laws and regulations, and the discretion to do so will be exercised by the Manager acting in good faith and on reasonable grounds. In any event, the Manager shall comply with personal data protection principles, and requirements as set out in the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and all other applicable regulations and rules governing personal data use in Hong Kong from time to time.

Although the Bosera STAR 50 Index ETF will attempt to satisfy any obligations imposed on them to avoid the imposition of FATCA withholding, no assurance can be given that the Bosera STAR 50 Index ETF will be able to fully satisfy these obligations. If any Bosera STAR 50 Index ETF becomes subject to a withholding as a result of FATCA, the Net Asset Value of Bosera STAR 50 Index ETF may be adversely affected and Bosera STAR 50 Index ETF and its Unitholders may suffer material loss.

The FATCA provisions are complex and their application is uncertain at this time. The above description is based in part on regulations, official guidance and the HK IGA, all of which are subject to change or may be implemented in a materially different form. Nothing in this section constitutes or purports to constitute tax advice and Unitholders should not rely on any information

set out in this section for the purposes of making any investment decision, tax decision or otherwise. All Unitholders should therefore consult their own tax and professional advisors regarding the FATCA requirements, possible implications and related tax consequences with respect to their own situation. In particular, Unitholders who hold their Units through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer the above mentioned withholding tax on their investment returns.

FATCA in Mainland China

On 26 June 2014, the US and China reached an agreement in substance to implement the FATCA through a Model 1 IGA. As China is one of the US largest trading partners, this is a substantial development in achieving overall tax compliance through information sharing agreements. However, an official mutual announcement continues to be absent until now, which means the agreement is still not effective for China. As a result, there is no local implementation rules or guidance to follow at current stage in China regarding FATCA.

SCHEDULE 1

INVESTMENT RESTRICTIONS, SECURITY LENDING AND BORROWING

Investment Restrictions

If any of the restrictions or limitations set out below is breached in respect of the Bosera STAR 50 ETF, the Manager and/or the Investment Adviser (as applicable) will make it a priority objective to take all necessary steps within a reasonable period to remedy the situation, taking due account the interests of the Unitholders of the Bosera STAR 50 ETF.

The Trustee will take reasonable care to ensure compliance with the investment and borrowing limitations set out in the constitutive documents and the conditions under which the Bosera STAR 50 ETF was authorised.

The investment restrictions applicable to the Bosera STAR 50 ETF are summarised below:

(a) the aggregate value of the Bosera STAR 50 ETF's investments in, or exposure to, any single entity (other than Government and other Public Securities) through the following may not exceed 10% of the total Net Asset Value of the Bosera STAR 50 ETF, save as permitted by Chapter 8.6(h) and as varied by Chapter 8.6(h)(a) of the Code:

  (1) investments in Securities issued by such entity;

  (2) exposure to such entity through underlying assets of financial derivative instrument ("FDI"); and

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

(b) subject to (a) above and Chapter 7.28(c) of the Code and unless otherwise approved by the SFC, the aggregate value of the Bosera STAR 50 ETF's investments in, or exposure to, entities within the same group through the following may not exceed 20% of the total Net Asset Value of the Bosera STAR 50 ETF:

  (1) investments in Securities issued by such entities;

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

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

(c) unless otherwise approved by the SFC, the value of the Bosera STAR 50 ETF's cash deposits made with the same entity or entities within the same group may not exceed 20% of the total Net Asset Value of the Bosera STAR 50 ETF, unless:

  (1) the cash is held before the launch of the Bosera STAR 50 ETF and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested; or

  (2) the cash is proceeds from liquidation of investments prior to the merger or termination of the Bosera STAR 50 ETF, whereby the placing of cash deposits with various financial institutions may not be in the best interest of investors; or

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

  For the purpose of this sub-paragraph (3), cash deposits generally refer to those that are

repayable on demand or have the right to be withdrawn by the Bosera STAR 50 ETF and not referable to provision of property or services;

(d) ordinary shares issued by any single entity (other than Government and other Public Securities) held for the account of the Bosera STAR 50 ETF, when aggregated with other ordinary shares of the same entity held for the account of all other sub-funds under the Trust collectively may not exceed 10% of the nominal amount of the ordinary shares issued by the entity;

(e) not more than 15% of the total Net Asset Value of the Bosera STAR 50 ETF may be invested in Securities and other financial products or instruments that are neither listed, quoted nor dealt in on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such Securities are regularly traded;

(f) notwithstanding (a), (b), (d) and (e), where direct investment by the Bosera STAR 50 ETF in a market is not in the best interests of investors, the Bosera STAR 50 ETF may invest through a wholly-owned subsidiary company established solely for the purpose of making direct investments in such market. In this case:

(1) the underlying investments of the subsidiary, together with the direct investments made by the Bosera STAR 50 ETF, must in aggregate comply with the requirements of Chapter 7 of the Code;

(2) any increase in the overall fees and charges directly or indirectly borne by the Unitholders or the Bosera STAR 50 ETF as a result must be clearly disclosed in the Prospectus; and

(3) the Bosera STAR 50 ETF must produce the reports required by the Code in a consolidated form to include the assets (including investment portfolio) and liabilities of the subsidiary company as part of those of the Bosera STAR 50 ETF;

(g) notwithstanding (a), (b) and (d), not more than 30% of the total Net Asset Value of the Bosera STAR 50 ETF may be invested in Government and other Public Securities of the same issue. However, as the Bosera STAR 50 ETF has been authorised by the SFC as an index fund, this limit may be exceeded with the approval of the SFC;

(h) subject to (g), the Bosera STAR 50 ETF may fully invest in Government and other Public Securities in at least six different issues. Subject to the approval of the SFC, the Bosera STAR 50 ETF which has been authorised by the SFC as an index fund may exceed the 30% limit in (g) and may invest all of its assets in Government and other Public Securities in any number of different issues;

(i) unless otherwise approved by the SFC, the Bosera STAR 50 ETF may not invest in physical commodities;

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

(1) authorised by the SFC under Chapter 8.6 or 8.10 of the Code; or

(2) listed and regularly traded on internationally recognised stock exchanges open to the public (nominal listing not accepted) and (i) the principal objective of which is to track, replicate or correspond to a financial index or benchmark, which complies with the applicable requirements under Chapter 8.6 of the Code; or (ii) the investment objective, policy, underlying investments and product features of which are substantially in line with or comparable with those set out under Chapter 8.10 of the Code,

may either be considered and treated as (x) listed Securities for the purposes of and subject to the requirements in paragraphs (a), (b) and (d) above; or (y) collective

investment schemes for the purposes of and subject to the requirements in paragraph (k) below. However, the investments in exchange traded funds shall be subject to paragraph (e) above and the relevant investment limits in exchange traded funds by t the Bosera STAR 50 ETF should be consistently applied and clearly disclosed in this Prospectus;

(k) where the Bosera STAR 50 ETF invests in shares or units of other collective investment schemes ("underlying schemes"),

(1) the value of the Bosera STAR 50 ETF's investment in units or shares in underlying schemes which are non-eligible schemes (as determined by the SFC) and not authorised by the SFC may not in aggregate exceed 10% of the total Net Asset Value of the Bosera STAR 50 ETF; and

(2) the Bosera STAR 50 ETF may invest in one or more underlying schemes which are either schemes authorised by the SFC or eligible schemes (as determined by the SFC), but the value of the Bosera STAR 50 ETF's investment in units or shares in each such underlying scheme may not exceed 30% of the total Net Asset Value of the Bosera STAR 50 ETF, unless the underlying scheme is authorised by the SFC and its name and key investment information are disclosed in the Prospectus of the Bosera STAR 50 ETF,

provided that in respect of (1) and (2) above:

(i) the objective of each underlying scheme may not be to invest primarily in any investment prohibited by Chapter 7 of the Code, and where that underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the Code, such investments may not be in contravention of the relevant limitation prescribed by Chapter 7 of the Code. For the avoidance of doubt, the Bosera STAR 50 ETF may invest in scheme(s) authorised by the SFC under Chapter 8 of the Code (except for hedge funds under Chapter 8.7 of the Code), eligible scheme(s) (as determined by the SFC) of which the net derivative exposure (as defined in the Code) does not exceed 100% of its total Net Asset Value, and exchange traded funds satisfying the requirements in paragraph (j) above in compliance with paragraph (k)(1) and (k)(2);

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

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

(3) where an investment is made in any underlying scheme(s) managed by the Manager or any of its Connected Persons, all initial charges and redemption charges on the underlying scheme(s) must be waived; and

(4) the Manager or any person acting on behalf of the Bosera STAR 50 ETF or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or the manager of an underlying scheme, or any quantifiable monetary benefits in connection with investments in any underlying scheme;

(l) the Bosera STAR 50 ETF may invest 90% or more of its total Net Asset Value in a single collective investment scheme and will be authorised as a feeder fund by the SFC. In this case:

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

(2) the Prospectus must state that:

(i) the Bosera STAR 50 ETF is a feeder fund into the master fund;

(ii) for the purpose of complying with the investment restrictions, the Bosera STAR 50 ETF (i.e. feeder fund) and its master fund will be deemed a single entity;

(iii) the Bosera STAR 50 ETF (i.e. feeder fund)'s annual report must include the investment portfolio of the master fund as at the financial year end date; and

(iv) the aggregate amount of all the fees and charges of the Bosera STAR 50 ETF (i.e. Feeder fund) and its underlying master fund must be clearly disclosed;

(3) unless otherwise approved by the SFC, no increase in the overall total of initial charges, redemption charges, Manager's annual fee, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the Unitholders or by the Bosera STAR 50 ETF (i.e. feeder fund) may result, if the master fund in which the Bosera STAR 50 ETF (i.e. feeder fund) invests is managed by the Manager or by its Connected Person; and

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

(m) as the name of the Bosera STAR 50 ETF indicates a particular objective, investment strategy, geographic region or market, the Bosera STAR 50 ETF should, under normal market circumstances, invest at least 70% of its total Net Asset Value in securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Bosera STAR 50 ETF represents.

The Manager shall not on behalf of the Bosera STAR 50 ETF:

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

(B) invest in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts (REITs)). In the case of investments in such shares and REITs, they shall comply with the relevant investment restrictions and limitations set out in Chapter 7.1, 7.1A, 7.2, 7.3 and 7.11 of the Code, where applicable. For the avoidance of doubt, where investments are made in listed REITS, Chapter 7.1, 7.1A and 7.2,apply and where investments are made in unlisted REITS, which are either companies or collective investment schemes, then Chapter 7.3 and 7.11 apply respectively ;

(C) make short sales if as a result the Bosera STAR 50 ETF would be required to deliver Securities exceeding 10% of the total Net Asset Value of the Bosera STAR 50 ETF (and for this purpose Securities sold short must be actively traded on a market where short selling is permitted). For the avoidance of doubt, the Bosera STAR 50 ETF prohibited to carry out any naked or uncovered short sale of securities and short selling should be carried out in accordance with all applicable laws and regulations;

(D) lend or make a loan out of the assets of a the Bosera STAR 50 ETF, except to the extent that the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan;

(E) subject to (e) above, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person,

save and except for reverse repurchase transactions in compliance with the Code;

(F) enter into any obligation in respect of the Bosera STAR 50 ETF or acquire any asset or engage in any transaction for the account of the Bosera STAR 50 ETF which involves the assumption of any liability which is unlimited; or

(G) apply any part of the Bosera STAR 50 ETF in the acquisition of any investments which are for the time being nil paid or partly paid in respect of which a call is due to be made for any sum unpaid on such investments unless such call could be met in full out of cash or near cash forming part of the Bosera STAR 50 ETF whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transactions in FDIs for the purposes of Chapters 7.29 and 7.30 of the Code.

Note: The investment restrictions set out above apply to the Bosera STAR 50 ETF, subject to the following: A collective investment scheme authorised by the SFC under the Code is usually restricted under Chapter 7.1 of the Code from making investments which would result in the value of that collective investment scheme's holdings of the Securities of any single entity exceeding 10% of the collective investment scheme's total net asset value. For the Bosera STAR 50 ETF which is authorised under Chapter 8.6 of the Code as an index tracking ETF, given the investment objective of the Bosera STAR 50 ETF and nature of the Index, the Bosera STAR 50 ETF is allowed under Chapter 8.6(h) of the Code to, notwithstanding Chapter 7.1 of the Code, hold investments in constituent Securities of any single entity exceeding 10% of the Bosera STAR 50 ETF's total Net Asset Value if such constituent Securities account for more than 10% of the weighting of the Index and the relevant Bosera STAR 50 ETF's holding of any such constituent Securities does not exceed their respective weightings in the Index, except where the weightings are exceeded as a result of changes in the composition of the Index and the excess is only transitional and temporary in nature.

However, the restrictions in 8.6(h)(i) and (ii) (as described above) do not apply if:

(a) the Bosera STAR 50 ETF adopts a representative sampling strategy which does not involve full replication of the constituent Securities of the Index in the exact weightings of such Index;

(b) the strategy is clearly disclosed in the Prospectus;

(c) the excess of the weightings of the constituent Securities held by the Bosera STAR 50 ETF over the weightings in the Index is caused by the implementation of the representative sampling strategy;

(d) any excess weightings of the Bosera STAR 50 ETF's holdings over the weightings in the Index must be subject to a maximum limit reasonably determined by the Bosera STAR 50 ETF after consultation with the SFC. In determining this limit, the Bosera STAR 50 ETF must consider the characteristics of the underlying constituent Securities, their weightings and the investment objectives of the Index and any other suitable factors;

(e) limits laid down by the Bosera STAR 50 ETF pursuant to the point above must be disclosed in the Prospectus;

(f) disclosure must be made in the Bosera STAR 50 ETF's interim and annual reports as to whether the limits imposed by the Bosera STAR 50 ETF itself pursuant to the above point (d) have been complied with in full. If there is non-compliance with the said limits during the relevant reporting period, this must be reported to the SFC on a timely basis and an account for such non-compliance should be stated in the report relating to the period in which the non-compliance occurs or otherwise notified to investors.

Securities Financing Transactions

According to the Trust Deed, the Bosera STAR 50 ETF may enter into securities lending transactions, sale and repurchase transactions and reverse repurchase transactions ("securities financing transactions"), provided that they are in the best interests of the Unitholders, the associated risks have been properly mitigated and addressed, and the counterparties to the securities financing transactions are financial institutions which are subject to ongoing prudential regulation and supervision.

Where the Bosera STAR 50 ETF engages in securities financing transactions, it is subject to the following requirements:

- it shall have at least 100% collateralisation in respect of the securities financing transactions into which it enters to ensure there is no uncollateralised counterparty risk exposure arising from these transactions;

- all the revenues arising from securities financing transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the securities financing transactions to the extent permitted by applicable legal and regulatory requirements, shall be returned to the Bosera STAR 50 ETF;

- it shall ensure that it is able to at any time to recall the securities or the full amount of cash / collateral (as the case may be) subject to the securities financing transactions or terminate the securities financing transactions into which it has entered.

There is no current intention for the Bosera STAR 50 ETF to engage in securities financing transactions, but this may change in light of market circumstances and where Bosera STAR 50 ETF does engage in these types of transactions, prior approval shall be obtained from the SFC (if required) and no less than one month's prior notice will be given to the Unitholders. Details of such transactions will also be provided.

Financial Derivative Instruments

Subject always to the provisions of the Trust Deed and the Code, the Manager may on behalf of the Bosera STAR 50 ETF enter into any transactions in relation to FDIs.

Where indicated in this Prospectus, the Bosera STAR 50 ETF may acquire FDIs for hedging purpose. The FDIs shall meet all of the following criteria to be considered as being acquired for hedging purposes:

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

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

(c) although they may not necessarily reference to the same underlying assets, they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and

(d) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions. Hedging arrangement should be adjusted or re-positioned, where necessary and with due consideration on the fees, expenses and costs, to enable the Bosera STAR 50 ETF to meet its hedging objective in stressed or extreme market conditions.

Unless otherwise stated in the Prospectus, the Bosera STAR 50 ETF may also acquire FDIs for non-hedging purposes ("investment purposes"), subject to the limit that the Bosera STAR 50 ETF's net exposure relating to these FDIs ("net derivative exposure") does not exceed 50% of its total Net Asset Value (unless otherwise approved by the SFC for the Bosera STAR 50 ETF pursuant to Chapter 8.8 or Chapter 8.9 of the Code). For the avoidance of doubt:

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

Bosera STAR 50 ETF for investment purposes are converted into the equivalent position in the underlying assets of the FDIs, taking into account the prevailing market value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the position;

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

(c) FDIs acquired for hedging purposes will not be counted towards the 50% limit referred to in this paragraph so long as there is no residual derivative exposure arising from such hedging arrangement.

Subject to the above, the Bosera STAR 50 ETF may invest in FDIs provided that the exposure to the underlying assets of the FDI, together with the other investments of the Bosera STAR 50 ETF, may not in aggregate exceed the correponding investment restrictions or limitations applicable to such underlying assets and investments as set out in the relevant provisions of Chapter 7 of the Code.

The FDIs invested by the Bosera STAR 50 ETF shall be either listed or quoted on a stock exchange, or dealt in over-the-counter market and comply with the following provisions:

(A) the underlying assets consist solely of shares in companies, debt Securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, Government and other Public Securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates or currencies or other asset classes acceptable to the SFC, in which the Bosera STAR 50 ETF may invest according to its investment objectives and policies. Where the Bosera STAR 50 ETF invests in index-based FDIs, the underlying assets of such FDIs are not required to be aggregated for the purposes of the investment restrictions or limitations set out in Chapters 7.1, 7.1A, 7.1B and 7.4 of the Code provided that the relevant Index is in compliance with Chapter 8.6(e) of the Code;

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

(C) subject to paragraphs (a) and (b) under the section entitled “Investment Restrictions” above, the Bosera STAR 50 ETF’s net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10% of the total Net Asset Value of the Bosera STAR 50 ETF. The exposure of the Bosera STAR 50 ETF to a counterparty of over-the-counter FDIs may be lowered by the collateral received (if applicable) by the Bosera STAR 50 ETF and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter FDIs with that counterparty, if applicable; and

(D) the valuation of the FDIs is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Manager or the Trustee or their nominee(s), agent(s) or delegate(s) independent of the issuer of the FDIs through measures such as the establishment of a valuation committee or engagement of third party services. The FDIs can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Bosera STAR 50 ETF. Further, the calculation agent/fund administrator should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the FDIs on a regular basis.

The Bosera STAR 50 ETF shall at all times be capable of meeting all its payment and delivery obligations incurred under transactions in FDIs (whether for hedging or for investment purposes). The Manager shall, as part of its risk management process, monitor to ensure that the transactions in FDIs are adequately covered on an ongoing basis.

For the purposes herein, assets that are used to cover the Bosera STAR 50 ETF’s payment and delivery obligations incurred under transactions in FDIs should be free from any liens and encumbrances, exclude any cash or near cash for the purpose of meeting a call on any sum unpaid

on a security, and cannot be applied for any other purposes.

A transaction in FDIs which gives rise to a future commitment or contingent commitment of the Bosera STAR 50 ETF should also be covered as follows:

- in the case of FDI transactions which will, or may at the Bosera STAR 50 ETF's discretion, be cash settled, the Bosera STAR 50 ETF should at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and

- in the case of FDI transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Bosera STAR 50 ETF should hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Bosera STAR 50 ETF may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation. In the case of holding alternative assets as cover, the Bosera STAR 50 ETF should apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

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

Collateral

Collateral received from counterparties shall comply with the following requirements:

- Liquidity – collateral must be sufficiently liquid and tradable in order that it can be sold quickly at a robust price that is close to pre-sale valuation. Collateral should normally trade in a deep and liquid marketplace with transparent pricing;

- Valuation – collateral should be marked-to-market daily by using independent pricing source;

- Credit quality – asset used as collateral must be of high credit quality and should be replaced immediately as soon as the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral;

- Haircut - collateral should be subject to prudent haircut policy which should be based on the market risks of the assets used as collateral in order to cover potential maximum expected decline in collateral values during liquidation before a transaction can be closed out with due consideration on stress period and volatile markets. For the avoidance of doubt the price volatility of the asset used as collateral should be taken into account when devising the haircut policy;

- Diversification – collateral must be appropriately diversified to avoid concentrated exposure to any single entity and/or entities within the same group and the Bosera STAR 50 ETF's exposure to issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in Chapters 7.1, 7.1A, 7.1B, 7.4, 7.5, 7.11, 7.11A, 7.11B and 7.14 of the Code;

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

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

- Independent custody – collateral must be held by the Trustee;

- Enforceability – collateral must be readily accessible/enforceable by the Trustee without further recourse to the issuer of the FDIs, or the counterparty of the securities financing transactions;

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

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

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

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

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

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

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

The Bosera STAR 50 ETF currently does not receive any collateral. If it does, a summary of the collateral policy and criteria adopted by the Manager will be provided to investors.

Borrowing Policy

Borrowing against the assets of the Bosera STAR 50 ETF is allowed up to a maximum of 10% of its total Net Asset Value. Securities lending transactions and sale and repurchase transactions in compliance with the requirements as set under the section entitled "Securities Financing Transactions" above are not subject to the borrowing restrictions under this section.

The Trustee may on instruction of the Manager borrow for the account of the Bosera STAR 50 ETF any currency, and charge or pledge assets of the Bosera STAR 50 ETF, for the following purposes:

(a) facilitating the creation or redemption of Units or defraying operating expenses;

(b) enabling the Manager to acquire Securities for the account of the Bosera STAR 50 ETF; or

(c) for any other proper purpose as may be agreed by the Manager and the Trustee, except to enhance the performance of the Bosera STAR 50 ETF.

SCHEDULE 2

INDEX AND DISCLAIMER

This summary contains only principal features of the Index, and complete information of the Index shall be available on the Index Provider's website and may change from time to time.

General information on the Index

The Index of the Bosera STAR 50 ETF is the SSE Science and Technology Innovation Board 50 Index. The Index is a free float-adjusted market capitalisation-weighted index compiled and published by the Index Provider. The Manager (and each of its Connected Persons) is independent of the Index Provider.

The Index consists of 50 securities with largest market capitalisation and good liquidity listed on the STAR Board. The Index aims to reflect the overall performance of leading technological innovation-based enterprises' securities.

The Index is a price return index which means that the performance of the Index is calculated on the basis that any dividends from Securities comprising the Index are not re-invested. The Index is denominated and quoted in RMB.

The Index was launched on 23 July 2020 and had a base level of 1,000 on 31 December 2019.

Index Universe

The index universe includes stocks and China depositary receipts (CDRs) issued by red chip enterprises listed on the STAR Board satisfying the following conditions:

i. The securities have been listed for more than six months. When the number of securities listed for twelve months on the STAR Board reaches 100 to 150, the listing time requirement is adjusted to more than twelve months; or

ii. For securities which daily average total market value since its initial listing is ranked top 5 on the STAR Board, such securities have been listed for more than three months as of the 10th trading day after usual cut-off date of data used for periodic review; or

Note: The "cut-off date" is normally the last trading day of the preceding calendar month before the periodic review adjustments takes effect (e.g. 30 April is the usual cut-off date for the May periodic review (i.e. the June periodic rebalance))

iii. For securities which daily average total market value since its initial listing is ranked top 3 on the STAR Board and condition (ii) does not apply, such securities have been listed for more than one month when evaluated as appropriate by the Index Advisory Committee using a rule-based and transparent approach;

and,

iv. Non -*ST (i.e. securities under delisting risk warning) securities; and

v. Performance without serious violation of laws and regulations, serious financial problems, strong evidence of market manipulation and other situations evaluated as inappropriate for index constituents.

For this purpose:

"Serious violation of laws and regulations"

For non-constituents, listed companies that violate the regulations within 1 year prior to the deadline for periodical review shall be ineligible to be included in the index universe. For

constituents, listed companies that violate the regulations within 1 year prior to the deadline for periodical review shall be given priority to be deleted if they become deletion candidates. These adjustments are based on irregularities identified by the securities regulatory institutions, which are objective evidence. The Index Advisory Committee will check the above rules from time to time and make sure it's suitable for the index.

"Serious financial problems"

Financial performance is usually measured by the financial report of the relevant listed companies.

"Strong evidence of market manipulation"

Actually, when stock prices show strong evidence of market manipulation or other unusual fluctuations, listed companies are very likely to be noticed by the securities regulatory institutions such as the CSRC and stock exchanges, and if there is sufficient evidence, listed companies will receive punishment from the securities regulatory institutions.

When special circumstances happen, such as unusual large price volatility which is highly concerned by market participants, but has not yet be identified as irregularities by the securities regulatory institutions, it is usually discussed by the Index Advisory Committee. The Index Advisory Committee will evaluate the irregularity risk of the listed company and make a decision on the constituent eligibility base on objective data and their professional knowledge.

For the avoidance of doubt, a stock will be included in the index universe if they can fulfil conditions (ii) or (iii) (in addition to (iv) and (v)), even if they do not meet the listing history condition under (i).

Constituents Selection

1. All securities in the universe are ranked by the daily average trading value over the past year in descending order. Securities ranked within the bottom 10% will be excluded;

2. The remaining securities are ranked by the daily average total market capitalisation over the past year in descending order. The top 50 securities will be selected as constituents. For the avoidance of doubt, total market capitalization is adopted for constituent selection for the Index but free float adjusted market capitalization will be adopted for weighting (please refer to "Index Calculation" below).

Index Calculation

The Index is weighted as the following calculation formula:

Current Index = Current Total Adjusted Market-Cap / Divisor (i.e. base period) × Base Level

Where Current Total Adjusted Market-Cap = Σ(Security Price × Number of Free Float Adjusted Shares × Weight Factor)

The value of Weight Factor is between 0 and 1, and is calculated at each rebalancing so as to make each constituent's weight is no more than 10% and the total weight of top 5 constituents is no more than 40%.

The calculation of the Weight Factor: In the situation that the index is weighted by free float market cap, the weight of each constituent is capped at 10%, and the total weight of top 5 constituents is capped at 40%. If the weight of top 5 constituents does not exceed 40%, the weight restriction is referred to 10% for each constituent. Otherwise, the total weight of the top 5 constituents is set to 40%, and the weights of the top 5 constituents are allocated according to the adjusted free float market cap ratio. If the weight of the constituent with weights exceeds 10% after the distribution are adjusted to 10%, the top 5 constituents are distributed the remaining weight based on the free float adjusted market cap. If there are still constituent weights that exceed 40% after reallocation,

repeat the above steps. The total weight of constituents other than the top 5 is 100% - 40%, and the weights are allocated according to the free float adjusted market cap ratio, and the weight of the constituent is capped at the weight of the fifth largest constituent.

Index Maintenance

The Index is maintained using the "divisor adjustment methodology". In the event of a change in constituent list or a capital change in the index constituents, or constituents' market value fluctuates due to non-trading factors, the divisor is adjusted by means of the divisor adjustment methodology, so as to prevent the discontinuities in the Index. The adjustment formula is as follows:

$$\frac{\text{adjusted market cap before divisor adjustment}}{\text{old divisor}} = \frac{\text{adjusted market cap after divisor adjustment}}{\text{new divisor}}$$

Where: Adjusted Market Cap after Adjustment = Adjusted Market Cap before Adjustment + increase (decrease) in Adjusted Market Cap.

The new divisor (i.e. the adjusted divisor, also known as the new base period) derived from this formula shall be used for the future index calculation.

Constituents and Index Weight Adjustment

Periodic review

The Index is reviewed during the last ten days of February, May, August and November, and the constituen adjustment is normally implemented on the next trading day after the 2nd Friday of March, June, September and December.

Normally, the number of constituents adjusted at each periodic review shall not exceed 10%. The Index adopts buffer zone rules for the sake of minimum turnover. According to the ranking (by daily average total market capitalisation over the past year) generated in the current periodic review, new candidate securities which are not the existing constituents ranked top 40 will be given priority to be added to the Index and existing constituents ranked top 60 (by daily average total market capitalisation over the past year) will be given priority to remain in the Index.

A weight factor is assigned to each constituent at each rebalancing. The effective date is the same as that of the constituent adjustment. The weight factor remains the same until next rebalancing day.

The Index adopts a reserve list policy. If a temporary adjustment during the ongoing review is in need due to constituents' delisting, merger, etc., securities on the reserve list shall be added to the Index in turn.

For details on buffer zone rules, reserve list policy and other information relating to periodic review, please refer to "Equity Indices Calculation and Maintenance Methodology of China Securities Index Company Limited" available on the website www.csindex.com.cn/en/indices/index-rules (the contents of this website has not been reviewed by the SFC).

Ongoing review

In case the representativeness and investability of the Index is affected due to significant changes beyond periodical reviews, CSI may review the constituent securities immediately. Delisted securities will be removed from the constituents. Necessary adjustment will be made when certain corporate event happens so as to maintain the representativeness and investability of the Index.

Such events include, without limitation, bankruptcy of constituents, delisting, restructuring, merger, acquisition, spin-off, etc.

For details relating to ongoing review, reserve list policy and other information relating to periodic review, please refer to "Equity Indices Calculation and Maintenance Methodology of China Securities Index Company Limited" available on the website www.csindex.com.cn/en/indices/index-rules (the contents of this website has not been reviewed by the SFC).

Index Advisory Committee

The Index Advisory Committee acts as the consulting agency of the Index Provider, and is responsible for providing professional consultation advice and decision-making suggestions for index construction and maintenance. Issues for consultation include, but are not limited to, rules for index management, plan of index business development and index construction, index methodologies for important indices, significant issues of index maintenance, domestic and foreign trends of index business development, etc.

Members

Committee members are domestic and foreign experts or scholars with extensive representation and influence in the fields of economics, finance, statistics or corporate governance. Members work part time and are not employees of the Index Provider.

Appointment

In principle, each term of the Committee lasts three years and members can serve consecutive terms. The Index Provider may adjust the length of each term and the number of consecutive terms according to needs.

For details, please refer to www.csindex.com.cn/en/about/index-advisory-committee (the contents of this website has not been reviewed by the SFC).

Index Constituents and Further Information

You can obtain the most updated list of the constituents of the Index and their respective weightings from the website of China Securities Index Co., Ltd at http://www.csindex.com.cn (the contents of this website has not been reviewed by the SFC), which is updated monthly.

The Index Provider publishes the real time level of the New Index via its website at http://www.csindex.com.cn (the contents of this website has not been reviewed by the SFC). The methodology, the latest information and news of the New Index, the latest market capitalisation amount and number of constituents of the New Index will be available on the website of the Index Provider www.csindex.com.cn/en/indices/index-detail/000688 (the contents of this website has not been reviewed by the SFC).

Index Codes

CSI Code: 000688

Bloomberg Code: STAR50

Index Provider disclaimer

The SSE Science and Technology Innovation Board 50 Index ("Index") is compiled and calculated by China Securities Index Co., Ltd. ("CSI"). All copyright in the Index values and constituent list vest in CSI. CSI will apply all necessary means to ensure the accuracy of the Index. However, CSI does not guarantee its instantaneity, completeness or accuracy, nor shall it be liable (whether in negligence or otherwise) to any person for any error in the Index or under any obligation to advise any person of any error therein.