

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

PANDO VIRTUAL ASSETS ETF SERIES OFC

(a Hong Kong public umbrella open-ended fund company with variable capital, limited liability and segregated liability between sub-funds and authorised under section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO"))

Pando Bitcoin ETF

Stock Code: 2818

Pando Ethereum ETF

Stock Code: 3085

PROSPECTUS

MANAGER

Pando Finance Limited

[25 November] 2025

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 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 Company has been registered with the SFC as an open-ended fund company. The Company and each Sub-Fund have each been authorised as collective investment schemes by the SFC. Registration with and authorisation by the SFC do not represent a recommendation or endorsement of the Company or any of the Sub-Funds nor do they guarantee the commercial merits of the Company, any of the Sub-Funds or their performance. They do not mean the Company or any of the Sub-Funds is suitable for all investors nor do they represent an endorsement of their suitability for any particular investor or class of investors.

Important – while section 112S of the SFO provides for segregated liability between sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to section 112S of the SFO.

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PARTIES

Company

Pando Virtual Assets ETF Series OFC
Suite 1408, 14/F Two Exchange Square
8 Connaught Place
Hong Kong

Directors of the Company

Li Xiaolai
Ren Junfei

Manager

Pando Finance Limited
Suite 1408, 14/F Two Exchange Square
8 Connaught Place
Hong Kong

Directors of the Manager

Li Xiaolai
Ren Junfei

Custodian

BOCI-Prudential Trustee Limited
1501-1507 & 1513-1516, 15/F
1111 King's Road
Taikoo Shing
Hong Kong

Sub-Custodian

OSL Digital Securities Limited, acting via its
associated entity OSL Custody Services Limited
39/F Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Administrator

BOCI-Prudential Trustee Limited
1501-1507 & 1513-1516, 15/F
1111 King's Road
Taikoo Shing
Hong Kong

Registrar

BOCI-Prudential Trustee Limited
1501-1507 & 1513-1516, 15/F
1111 King's Road
Taikoo Shing
Hong Kong

Service Agent or Conversion Agent

HK Conversion Agency Services Limited
8th Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Listing Agent

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

Participating Dealer(s)#

Please refer to the relevant Appendix of each Sub-Fund.

Market Maker(s)#

Please refer to the relevant Appendix of each Sub-Fund.

Legal Adviser to the Manager

Deacons
5th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

Auditor

KPMG
8/F, Prince's Building
10 Chater Road
Central
Hong Kong

Please refer to the Company's website and the website of the HKEX for the latest lists of Market Makers and Participating Dealers for each Sub-Fund.

PRELIMINARY

This Prospectus relates to the offer in Hong Kong of Shares in the Company and its sub-funds. The Company is a public umbrella open-ended fund company incorporated in Hong Kong on 3 July 2025 with variable capital and limited liability. The Company can have a number of Sub-Funds with segregated liability among them. Pando Finance Limited has been appointed as the management company of the Company and each Sub-Fund. BOCI-Prudential Trustee Limited has been appointed as the custodian of the Company and each Sub-Fund.

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in the Sub-Funds. It contains important facts about the Sub-Funds whose Shares are offered in accordance with this Prospectus. A product key facts statement (“KFS”) which contains the key features and risks of each Sub-Fund is also issued by the Manager and such KFS 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 the KFS of each Sub-Fund and confirms having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this Prospectus or any KFS 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 on Open Ended Fund Companies* 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 Shares in each Sub-Fund.

Each Sub-Fund is a fund falling within Chapter 8.6 of the UT Code. Certain Sub-Fund(s) may also be subject to additional Chapters of the UT Code. The Company has been registered with the SFC as an open-ended fund company under Section 112D of the SFO. The Company and each Sub-Fund are authorised by the SFC in Hong Kong under Section 104 of the SFO. The SFC takes no responsibility for the financial soundness of the Company, any Sub-Fund or for the correctness of any statements made or opinions expressed in this Prospectus. Registration with and authorisation by the SFC do not represent a recommendation or endorsement of the Company or any of the Sub-Funds nor do they guarantee the commercial merits of the Company, any of the Sub-Funds or their performance. They do not mean the Company or the Sub-Funds are suitable for all investors nor do they represent an endorsement of their suitability for any particular investor or class of investors.

You should consult your financial adviser or 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 Shares as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable and to determine whether any investment in a Sub-Fund is appropriate for you.

The Shares of Pando Bitcoin ETF and Pando Ethereum ETF will be accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from the respective date of commencement of dealings in the Shares of Pando Bitcoin ETF and Pando Ethereum ETF on the SEHK or such other date as may be determined by HKSCC. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

No action has been taken to permit an offering of Shares or the distribution of this Prospectus in any jurisdiction other than Hong Kong and, accordingly, this 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 Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any other United States Federal or State law and, except in a transaction which does not violate the 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 Securities Act). The Company and each Sub-Fund have not been

and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended. Shares 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 United States Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), that is subject to Section 4975 of the Internal Revenue 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 Internal Revenue Code (“Similar Law”) or (iv) 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 Internal Revenue Code or Similar Law, unless the purchase, holding and disposition of Shares will not constitute a violation under ERISA, Section 4975 of the Internal Revenue Code and any applicable Similar Law.

The Shares cannot be offered or sold, directly or indirectly, in the United States of America (including its territories and possessions), to or for the benefit of a “U.S. Person”, as defined in the U.S. “Regulation S” adopted by the Securities and Exchange Commission (the “SEC”).

The Manager may impose restrictions on the Shareholders by any “U.S. Person” and operate (i) compulsory redemption of Shares or (ii) transfer of Shares held by such “U.S. Person”.

Such power covers any person (a) who appears to be directly or indirectly in breach of the laws or regulations of any country or governmental authority, or (b) in the opinion of the Manager, might result in a Sub-Fund suffering any disadvantage which such Sub-Fund might not otherwise have incurred or suffered.

“U.S. Person” means: (a) any natural person resident in the U.S.; (b) any partnership or corporation organised or incorporated under the laws of the U.S.; (c) any estate of which any executor or administrator is a U.S. Person; (d) any trust of which any trustee is a U.S. Person; (e) any agency or branch of a non-U.S. entity located in the U.S.; (f) any non-discretionary or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the U.S.; and (h) any partnership or corporation if (i) organised or incorporated under the laws of any non-U.S. jurisdiction and (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act unless it is organised or incorporated, and owned, by accredited investors (as defined under Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

Furthermore, distribution of this Prospectus (including the KFS) shall not be permitted unless it is accompanied by a copy of the latest annual financial report of the Sub-Funds (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 Company’s website (www.pandofinance.com.hk) (the contents of which, and of any other websites referred to in this Prospectus, have not been reviewed by the SFC). This Prospectus (including the KFS) may refer to information and materials included in websites. Such information and materials do not form part of this 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.

Enquiries and Complaints

Investors may raise any questions on or make any complaints about the Company (including the Sub-Funds) by contacting the Manager at its address as set out in the Directory of this Prospectus or calling the Manager on +852 3891 3288 during normal office hours.

DEFINITIONS

In this Prospectus (including the relevant Appendix for any Sub-Fund), unless the context requires otherwise, the following expressions have the meanings set out below.

“**Administrator**” means BOCI-Prudential Trustee Limited or such other person or persons for the time being duly appointed and acting as administrators hereof in succession thereto.

“**AFRC**” means the Accounting and Financial Reporting Council in Hong Kong or its successors.

“**After Listing**” means the period which commences on the Listing Date and continues until the relevant Sub-Fund is terminated.

“**Appendix**” means an appendix to this Prospectus that sets out specific information applicable to a Sub-Fund.

“**Application**” means an application by a Participating Dealer for the creation or redemption of Shares in accordance with the procedures for creation and redemption of Shares set out in the Operating Guidelines, the relevant Participation Agreement and the terms of the Instrument.

“**Application Share**”, in relation to each Sub-Fund, means such number of Shares or whole multiples thereof as specified in this Prospectus for the relevant Sub-Fund or such other number of Shares from time to time determined by the Manager, approved by the Custodian and notified to the Participating Dealers.

“**Auditor**” means the person appointed and acting as auditor of the Company and the Sub-Funds for the time being.

“**Business Day**” in respect of a Sub-Fund, means, unless the Manager otherwise agrees or otherwise specified in the relevant Appendix of the Sub-Fund, a day on which (a)(i) the SEHK is open for normal trading; (ii) the relevant market on which investments comprised in the relevant Index or investments comprised in the Sub-Fund, as the case may be, are traded is open for normal trading, or if there are more than one such market, the market designated by the Manager is open for normal trading, and (b) (where applicable) the Index is compiled and published, or such other day or days as the Manager may determine from time to time.

“**Cancellation Compensation**” means an amount payable by a Participating Dealer for the account of a Sub-Fund in respect of a Default or a cancellation of Creation Application or Redemption Application in accordance with the Instrument, the Participation Agreement and/or 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.

“**Company**” means Pando Virtual Assets ETF Series OFC 潘渡虛擬資產交易所買賣基金系列開放式基金型公司.

“**Connected Person**” has the meaning as set out in the UT 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) above; 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) above.

“Conversion Agency Agreement” means the agreement by which the Conversion Agent agrees with the Manager to provide its services may from time to time be entered amongst the Company, the Manager, the Conversion Agent and HKSCC.

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

“Creation Application” means an application by a Participating Dealer for the creation and issue of Shares in an Application Share size in accordance with the Operating Guidelines and the Instrument.

“Custodian” means, unless otherwise specified in Part 2 of this Prospectus, BOCI-Prudential Trustee Limited or such other person for the time being duly appointed as custodian by the Company in succession thereto under the Instrument to whom all the Scheme Property of a Sub-Fund is entrusted for safe keeping subject to and in accordance with the Laws and Regulations.

“Custody Agreement” means the custody agreement dated 11 July 2025 between the Company for itself and each Sub-Fund and the Custodian by which the Custodian is appointed.

“Dealing Day” means each Business Day during the continuance of the relevant Sub-Fund, and/or such other day or days as the Manager may from time to time determine either generally or for a particular class or classes of Shares, as specified in the relevant Appendix.

“Dealing Deadline” means, in relation to any Dealing Day, such time or times as the Manager may from time to time in consultation with the Custodian determine generally or in relation to any particular class or classes of Shares of a Sub-Fund or any particular place for submission of Application(s) by a Participating Dealer, as specified in the relevant Appendix.

“Default” means a failure by a Participating Dealer in respect of:

- (a) a Creation Application to deliver the requisite investments and/or any relevant cash amount; or
- (b) a Redemption Application to deliver the Shares which are the subject of the Redemption Application and/or relevant cash amount.

“Deposited Property” means, in respect of a Sub-Fund, all the assets (including Income Property), received or receivable by the Company for the time being held or deemed to be held by the Company for the account of the relevant Sub-Fund but excluding (i) Income Property standing to the credit of the distribution account of such Sub-Fund (other than interest earned thereon), and (ii) any other amount for the time being standing to the credit of the distribution account of such Sub-Fund.

“Directors” means the directors of the Company for the time being or the directors of the Company present at a meeting of directors at which a quorum is present and includes any committee of the Directors duly constituted for the purposes relevant in the context in which any reference to the Directors appears or the members of such committee present at a meeting of such committee at which a quorum is present, and **“Director”** shall be construed accordingly.

“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 Shares or the acquisition or disposal of investments, 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 Shares or redemption of Shares, a charge (if any) of such amount or at such rate as is determined by the Manager to be made for the purpose of compensating or reimbursing the Sub-Fund for the difference between (a) the prices used when valuing the investments held for the Sub-Fund for the purpose of such issue or redemption of Shares and (b) (in the case of an issue of Shares) the prices which would be used when acquiring the same investments if they were acquired by the Sub-Fund with the amount of cash received by the Sub-Fund upon such issue of Shares and (in the case of a redemption of Shares) the prices which would be used when selling the same investments if they were sold by the Sub-Fund in order to realise the amount of cash required to be paid out of the Sub-Fund upon such redemption of Shares.

“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 other than any such encumbrance or security interest imposed by the terms of the relevant clearing system/depositary or otherwise created by the terms of the Participation Agreement, the Instrument or any agreement between the Company, the Manager, the Custodian, the Administrator and the relevant Participating Dealer.

“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 relevant Administrator on each occasion the Company, upon a Participating Dealer’s request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.

“FDI” means a financial derivative instrument.

“Fund Administration Agreement” means the agreement for the time being subsisting between the Company for and on behalf of the relevant Sub-Fund(s) and the Administrator relating to its appointment and duties as the Administrator of the relevant Sub-Fund(s).

“HKD” means Hong Kong dollars, the lawful currency for the time being and from time to time of Hong Kong.

“HKEX” means Hong Kong Exchanges and Clearing Limited or its successors.

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

“Hong Kong” means the Hong Kong Special Administrative Region of the PRC.

“IFRS” means International Financial Reporting Standards.

“Income Property” means, in respect of a Sub-Fund, (a) all interest, dividends and other sums deemed by the Manager, (after consulting the Auditor 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 Custodian in respect of the Deposited Property of the relevant Sub-Fund (whether in cash or, without limitation, by warrant, cheque, money, credit or otherwise or the proceeds of sale or transfer of any Income Property received in a form other than cash); (b) all interest and other sums received or receivable by the Company in respect of (a), (c) or (d) of this definition; (c) all cash component payments received or receivable by the Custodian for the account of the relevant Sub-Fund in respect of an Application; (d) all Cancellation Compensation received by the Custodian for the account of the relevant Sub-Fund; and (e) any payments to be received or are receivable by the Company under any contractual agreements in the nature of investments for the benefit of the relevant Sub-Fund 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 relevant Sub-Fund or previously distributed to Shareholders; (iii) gains for the account of the relevant Sub-Fund arising from the realisation of investments; and (iv) any sums applied towards payment of the fees, costs and expenses payable by the Company from the Income Property of the relevant Sub-Fund.

“Index” means the index or benchmark, if any, against which a Sub-Fund may be benchmarked or may

otherwise be referenced as set out in the relevant Appendix.

“Index Provider” means the person responsible for compiling the Index against which the relevant Sub-Fund benchmarks its investments and who holds the right to licence the use of such Index to the relevant Sub-Fund as set out in the relevant Appendix.

“Initial Issue Date” means, in respect of each Sub-Fund (or class of Shares), the date of the first issue of Shares of that Sub-Fund (or class) as set out in the relevant Appendix.

“Initial Offer Period” means, in respect of each Sub-Fund (or class of Shares), such period as may be determined by the Manager for the purpose of making an initial offer of Shares of that Sub-Fund (or class) as set out in the relevant Appendix.

“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.

“Instrument” means the instrument of incorporation of the Company filed to the Companies Registry of Hong Kong on, and effective as of, 3 July 2025, including its Schedules and Appendices, as amended from time to time.

“Issue Price” means, in respect of a Sub-Fund, the price at which Shares may be issued, determined in accordance with the Instrument.

“Laws and Regulations” means all applicable laws and regulations including the SFO, Securities and Futures (Open-ended Fund Companies) Rules (Chapter 571AQ of the Laws of Hong Kong), as amended from time to time, the OFC Code, the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products (including the UT Code, as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC) and the SFC Fund Manager Code of Conduct (as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC).

“Listing Date” means the date on which the Shares in respect of a Sub-Fund (or class of Shares) are first listed and from which dealings therein are permitted to take place on SEHK, the expected date of which is set out in the relevant Appendix for the Sub-Fund.

“Management Agreement” means the discretionary management agreement dated 3 July 2025 between the Company for itself and each Sub-Fund and the Manager by which the Manager is appointed.

“Manager” means Pando Finance Limited or such other person or persons for the time being duly appointed as investment manager or investment managers by the Company in succession thereto under the Instrument from time to time to whom all the investment management functions of the Company are delegated subject to and in accordance with the Laws and Regulations.

“Market” means in any part of the world:

- (a) in relation to any investment, the SEHK, the Hong Kong Futures Exchange Limited or such other exchange or trading platform from time to time determined by the Manager; and
- (b) any over-the-counter transaction conducted in any part of the world and in relation to any investment shall be deemed to include any bilateral agreement with a responsible firm, corporation or association in any country in any part of the world dealing in the investment which the Manager may from time to time elect.

“Market Maker” means a broker or dealer permitted by the SEHK to act as such by making a market for

the Shares in the secondary market on the SEHK.

“Multi-Counter” means the facility by which the Shares of a Sub-Fund traded in more than one currency are each assigned separate stock codes on the SEHK and are accepted for deposit, clearance and settlement in CCASS in more than one eligible currency as described in the relevant Appendix. Where the Share of a Sub-Fund is traded in two eligible currencies, the facility is referred to as a **“Dual Counter”**.

“Net Asset Value” or **“NAV”** means the net asset value of the Company or, as the context may require, the net asset value of a Sub-Fund or class of Shares calculated under the Instrument.

“OFC Code” means the Code on Open-Ended Fund Companies issued by the SFC, as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC.

“Operating Guidelines” means, in respect of a Sub-Fund, the guidelines for the creation and redemption of Shares of a class as set out in the schedule to each Participation Agreement as amended from time to time by the Manager with the approval of the Custodian and the Administrator, and where applicable, with the approval of HKSCC and the Conversion Agent, and following consultation, to the extent reasonably practicable, with the relevant Participating Dealers, subject always, in respect of the relevant Operating Guidelines for a Participating Dealer, any amendment being agreed with or notified in writing by the Manager in advance to the relevant Participating Dealer (as the case may be). Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the relevant class of Shares applicable at the time of the relevant Application.

“Participating Dealer” means a licensed broker or dealer who is (or who has appointed an agent or delegate who is) a person admitted for the time being by HKSCC as a participant of CCASS and who has entered into a Participation Agreement in form and substance acceptable to the Company, the Manager and the Custodian, and any reference in this Prospectus to “Participating Dealer” shall include a reference to any agent or delegate so appointed by the Participating Dealer.

“Participation Agreement” means an agreement entered into between, among others, the Company, the Manager, the Custodian, the Administrator and a Participating Dealer (and its agent, if applicable), and if determined necessary by the Manager (in its absolute discretion), each of HKSCC and the Conversion Agent, setting out, amongst other things, the arrangements in respect of the Applications. References to the Participation Agreement shall, where appropriate, mean the Participation Agreement, read together with the Operating Guidelines.

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

“PRC” means the People’s Republic of China.

“Processing Day” means the Business Day after the relevant Dealing Day (or such other Business Day as is permitted in relation to such Dealing Day (including the Dealing Day itself) pursuant to the Operating Guidelines) or such other number of Business Days after the relevant Dealing Day as determined by the Manager in consultation with the Custodian from time to time and notified to the relevant Participating Dealers, either generally or for a particular class or classes of Shares, pursuant to the Operating Guidelines or as otherwise described in the relevant Appendix.

“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 Shares in Application Share size in accordance with the Operating Guidelines and the Instrument.

“Redemption Value” means, in respect of a Share, the price per Share at which such Share is redeemed, calculated in accordance with the Instrument.

“Registrar” means BOCI-Prudential Trustee Limited or such person as may from time to time be appointed

by the Company (and acceptable to the Manager) as registrar in respect of each Sub-Fund to keep the register of the Shareholders of the Sub-Fund.

“Reverse Repurchase Transactions” means transactions whereby a Sub-Fund purchases Securities from a counterparty of Sale and Repurchase Transactions and agrees to sell such Securities back at an agreed price in the future.

“Sale and Repurchase Transactions” means transactions whereby a Sub-Fund sells its Securities to a counterparty of Reverse Repurchase Transactions and agrees to buy such Securities back at an agreed price with a financing cost in the future.

“Scheme Property” means all the property of the Company.

“Securities” has the meaning as “securities” as defined in Part 1 of Schedule 1 to the SFO.

“Securities Lending Transactions” means transactions whereby a Sub-Fund lends its Securities to a security-borrowing counterparty for an agreed fee.

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

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

“Service Agent’s Fee” means the fee which may be charged for the benefit of the Service Agent to each Participating Dealer or PD Agent (as the case may be) on each book-entry deposit or withdrawal transaction made by the relevant Participating Dealer or PD Agent (as the case may be), 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 provides its services in respect of a Sub-Fund entered amongst the Company, the Manager, the Custodian, the Registrar, the Participating Dealer, the PD Agent (where applicable), the Service Agent and HKSCC.

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

“SFO” means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time.

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

“Share Cancellation Fee” means the fee charged by the Conversion Agent in respect of the cancellation of Shares in connection with an accepted Redemption Application of a Sub-Fund.

“Shareholder” means the person for the time being entered on the register as the holder of a Share or Shares including, where the context so admits, persons jointly so registered.

“Sub-Custodian” in respect of a Sub-Fund, means such person from time to time duly appointed by the Custodian as the sub-custodian of a Sub-Fund, or in succession thereto, as specified in the relevant Appendix.

“Sub-Fund” means a separate part of the Scheme Property which is established pursuant to the Instrument and as described in the relevant Appendix.

“Transaction Fee” means the fee, in respect of a Sub-Fund, which may be charged for the benefit of the Administrator, the Registrar, the Conversion Agent (if any) and/or the Service Agent (if any) to each Participating Dealer on each Dealing Day upon which an Application has been or Applications have been made by the relevant Participating Dealer.

“US” or **“United States”** means the United States of America.

“USD” means United States dollars, the lawful currency of the United States of America.

“UT Code” means the Code on Unit Trusts and Mutual Funds issued by the SFC, as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC.

“Valuation Point” means, in respect of a Sub-Fund, unless otherwise specified in the relevant Appendix of a Sub-Fund, the official close of trading on the Market on which the investments constituting the Index (if any) or the Sub-Fund are listed on each Dealing Day or 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 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 Shares.

“Virtual Asset” refers to any “virtual asset” as defined in section 53ZRA of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong).

PART 1 – GENERAL INFORMATION RELATING TO THE COMPANY AND SUB-FUNDS

Part 1 of this Prospectus includes information relevant to the Company and the Sub-Funds referred to in this Prospectus.

The information presented in this Part 1 should be read in conjunction with the information presented in the relevant Appendix in Part 2 of this Prospectus in respect of a particular Sub-Fund. Where the information in Part 2 of this Prospectus conflicts with the information presented in this Part 1, the information in the relevant Appendix in Part 2 prevails, however, it is applicable to the specific Sub-Fund of the relevant Appendix only. Please refer to Part 2 “Specific Information Relating to Each Sub-Fund” for further information.

INTRODUCTION

The Company

The Company is a public umbrella open-ended fund company with variable capital with limited liability, which was incorporated in Hong Kong under the SFO on 3 July 2025 with the company number 78399611. It is constituted by way of its Instrument filed to the Companies Registry of Hong Kong on, and effective as of, 3 July 2025.

The Company is registered with the SFC under Section 112D of the SFO. The Company and each Sub-Fund is authorised as a collective investment scheme by the SFC under Section 104 of the SFO and each Sub-Fund falls within Chapter 8.6 of the UT Code. Registration with or authorisation by the SFC does not represent a recommendation or endorsement of the Company or any of the Sub-Funds nor do they guarantee the commercial merits of the Company, any of the Sub-Funds or their performance. They do not mean that the Company or the Sub-Funds are suitable for all investors nor do they represent an endorsement of their suitability for any particular investor or class of investors.

The Sub-Funds

The Company may issue different classes of Shares and the Company shall establish a separate pool of assets in respect of each Sub-Fund to which one or more class of Shares shall be attributable. The assets of a Sub-Fund will be invested and administered separately from the other assets of the Company. All assets and liabilities attributable to each Sub-Fund shall be segregated from the assets and liabilities of any other Sub-Funds, and shall not be used for the purpose of, or borne by the assets of, any other Sub-Fund. This Prospectus only covers passively managed Sub-Funds which invest in Virtual Assets and each Sub-Fund will have its own Appendix in Part 2 of this Prospectus.

Each Sub-Fund will be an exchange traded fund listed on the SEHK. Where indicated in the relevant Appendix, Shares in a Sub-Fund may be available for trading on the SEHK using a Multi-Counter.

The Company reserves the right to establish other Sub-Fund(s) and/or issue further classes of Shares relating to a Sub-Fund or Sub-Funds in the future in accordance with the provisions of the Instrument.

THE OFFERING PHASES

Initial Offer Period

During the Initial Offer Period, Participating Dealers (acting for themselves or for their clients) may apply for Shares (to be available for trading on the Listing Date) by means of Creation Applications on each Dealing Day for themselves and/or their clients in accordance with the Operating Guidelines.

Unless otherwise stated in the relevant Appendix, the latest time for making a Creation Application for Shares for in-cash applications and in-kind applications is respectively 11:00 a.m. (Hong Kong time) and 4:00 p.m. (Hong Kong time) three Business Days prior to the Listing Date or such other time as the Manager may determine on any day when the trading hours of the SEHK are reduced.

To be dealt with during the Initial Offer Period, the relevant Participating Dealer must submit the Creation Applications to the Company and the Manager (with a copy to the Administrator and/or Registrar) on a Business Day no later than three Business Days prior to the Listing Date unless otherwise stated in the relevant Appendix.

If a Creation Application is received by the Company, the Manager and Administrator after the deadline as specified in the Appendix, that Creation Application shall be carried forward and deemed to be received at the opening of business on the Listing Date, which shall be the Dealing Day for the purposes of that Creation Application.

Creation Applications must be made in Application Share size or whole multiples thereof, which is the number of Shares specified in the relevant Appendix. Participating Dealers (acting for themselves or for their clients) can apply for Shares on each Dealing Day at the Issue Price.

Please refer to the section on “**CREATIONS AND REDEMPTIONS (PRIMARY MARKET)**” for the operational procedures in respect of Creation Applications.

After Listing

The After Listing phase commences on the Listing Date and continues until the relevant Sub-Funds are terminated.

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

- (a) buy and sell Shares on the SEHK; or
- (b) apply for creation and redemption of Shares through Participating Dealers.

Buying and selling of Shares on the SEHK

After Listing, all investors can buy and sell Shares in the secondary market in Trading Board Lot Size (as described in the section “**Key Information**” in the relevant Appendix) 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.

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

Please refer to the section on “**EXCHANGE LISTING AND TRADING (SECONDARY MARKET)**” for further information in respect of buying and selling of Shares on the SEHK.

Creations and Redemptions through Participating Dealers

Shares will continue to be created and redeemed in the primary market at the Issue Price and Redemption Value respectively through Participating Dealers in Application Share size or multiples thereof. Where stated in the relevant Appendix, in-kind creations or in-kind redemptions may be permitted by the Manager. The Application Share size and currency for settlement are as set out in the relevant Appendix.

To be dealt with on a Dealing Day, the relevant Participating Dealer must submit the Applications to the Company and the Manager (with a copy to the Administrator and/or Registrar) before the Dealing Deadline on the relevant Dealing Day. If an 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 Application shall be treated as having been received at the opening of business on the next Dealing Day, which shall be the relevant Dealing Day for the purposes of that 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 Shares in cash is due by such time as agreed in the Operating Guidelines on the relevant Dealing Day, unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case.

Settlement of Shares for redeeming Shares is due 2 Business Days (unless as otherwise stated in the relevant Appendix) after the Dealing Day, unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case.

Notwithstanding any Multi-Counter (if applicable) for Shares, all settlement is in the base currency of the relevant Sub-Fund only.

After Listing, all Shares will be registered in the name of HKSCC Nominees Limited on the register of the relevant Sub-Fund. The register of the relevant Sub-Fund is the evidence of ownership of Shares. The beneficial interests in Shares of any client of the Participating Dealers shall be established through such client's account with the relevant Participating Dealer or PD Agent (as the case may be) or with any other HKSCC participants if the client is buying from the secondary market.

Timetable

Initial Offer Period

The Initial Offer Period and the Listing Date of a new Sub-Fund is set out in the Appendix of the new Sub-Fund.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Shares either on their own account or for their clients, in accordance with the Instrument and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Shares to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Shares for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus and which may change from time to time. The Dealing Deadline in respect of Shares in a Sub-Fund may also change due to market related events. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Shares on their behalf.

After Listing

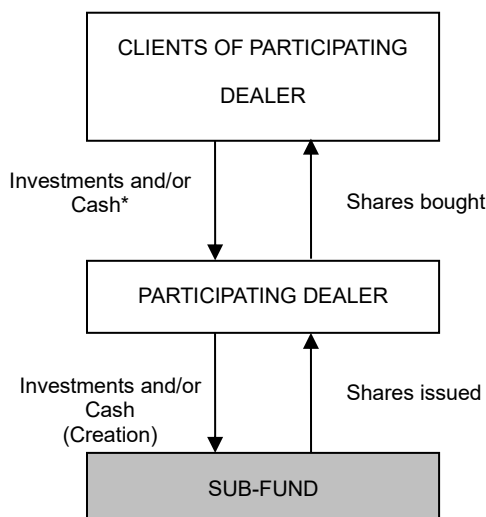
"After Listing" commences on the Listing Date and continues until the relevant Sub-Fund is terminated.

All investors may buy and sell Shares in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Shares in the primary market.

Diagrammatic Illustration of Investment in a Sub-Fund

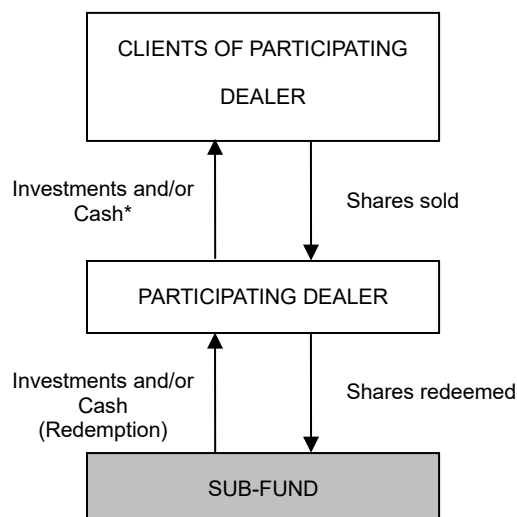
The diagrams below illustrate the creation or redemption and the buying or selling of Shares:

(a) Creation and buying of Shares in the primary market – Initial Offer Period and After Listing



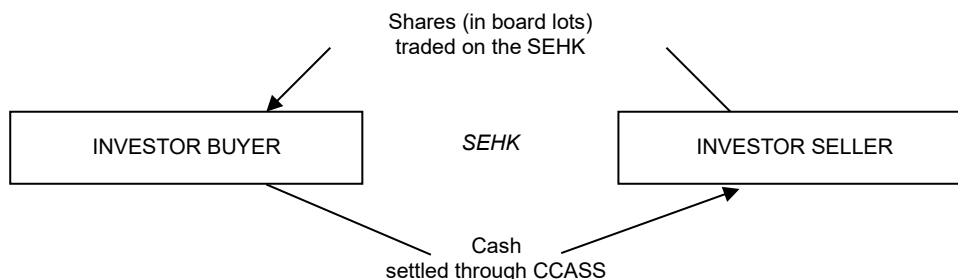
* Clients of a Participating Dealer may agree with the Participating Dealer settlement in a different currency to the creation currency.

(b) Redemption and selling of Shares in the primary market – After Listing



* Clients of a Participating Dealer may agree with the Participating Dealer settlement in a different currency to the redemption currency.

(c) Buying or selling of Shares in the secondary market on the SEHK – After Listing



Summary of Offering Methods and Related Fees

Initial Offer Period

Method of Offering*	Minimum Number of Shares (or multiple thereof)	Channel	Available to	Consideration, Fees and Charges**
Cash creation (in the currency as specified in the relevant Appendix)	Application Share size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash Transaction Fee Brokerage fees and/or 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
In-kind creation	Application Share size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of investments Cash component Transaction Fee Brokerage fees and/or 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

After Listing

Method of Acquisition or Disposal of Shares*	Minimum Number of Shares (or multiple thereof)	Channel	Available to	Consideration, Fees and Charges**
Purchase and sale in cash through brokers on the SEHK (secondary market)	Board lot size (see relevant Appendix)	On the SEHK	Any investor	Market price of Shares on SEHK (in HKD only) Brokerage fees (in such currency as determined by individual brokers) Transaction levy AFRC transaction levy Trading fees (in HKD only unless otherwise specified in the relevant Appendix)
Cash creation and redemption	Application Share size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash (in the currency as specified in the relevant Appendix) Transaction Fee 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
In-kind creation and redemption	Application Share size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of investments Cash component Transaction Fee 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

* The methods of creation available to the Participating Dealers in respect of each Sub-Fund, whether in-kind and/or in cash, are specified in the relevant Appendix.

**** Please refer to the section headed "FEES AND EXPENSES" for further details. The currency for payment of subscription monies is specified in the relevant Appendix.**

INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS, SECURITIES LENDING AND BORROWING

Investment Objective and Strategy

This Prospectus only covers passively managed Sub-Funds which invest in Virtual Assets. The investment objective and strategy of each Sub-Fund is stated in the relevant Appendix.

Investment Restrictions and Prohibitions

Unless otherwise specifically provided for in the relevant Appendix, the investment restrictions applicable to each Sub-Fund (that are included in the Instrument) are summarised below:

- (a) the Sub-Fund may only invest in Virtual Assets; and
- (b) the Sub-Fund may only retain a small amount of cash to pay ongoing fees and expenses and meet redemption requests.

Unless otherwise specifically provided for in the relevant Appendix, a Sub-Fund shall not:

- (a) invest in Securities or financial derivative instruments;
- (b) invest in any type of real estate (including buildings) or interests in real estate, including options or rights, shares in real estate companies and interests in real estate investment trusts (REITs);
- (c) make short sales;
- (d) lend or make a loan out of the assets of a Sub-Fund;
- (e) assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;
- (f) enter into any obligation in respect of a Sub-Fund or acquire any asset or engage in any transaction for the account of a Sub-Fund which involves the assumption of any liability which is unlimited. For the avoidance of doubt, the liability of Shareholders is limited to their investment in the relevant Sub-Fund; or
- (g) engage in Securities Lending Transactions, Sale and Repurchase Transactions and Reverse Repurchase Transactions or other similar over-the-counter transactions.

Borrowing

No borrowing is allowed for a Sub-Fund.

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in a Sub-Fund

There are two methods of making an investment in a Sub-Fund and of disposing of Shares to realise an investment in a Sub-Fund.

The first method is to create Shares at the Issue Price or redeem Shares at the Redemption Value directly with the Sub-Fund in the primary market through a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the relevant Sub-Fund. Where a Sub-Fund has a Multi-Counter, although a Participating Dealer may, subject to arrangement with the Manager, elect to CCASS to have Shares which it creates deposited in or the Shares which it redeems withdrawn from any available counter, all creation and redemption for all Shares must be in the base currency of that Sub-Fund. Because of the size of the capital investment (i.e. Application Share size) required either to create or redeem Shares 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 Shares 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 Shares in the secondary market on the SEHK which is more suitable for retail investors. The secondary market price of Shares may trade at a premium or discount to the Net Asset Value of the relevant Sub-Fund.

This section of this Prospectus describes the first method of investment and should be read in conjunction with the Participation Agreement and the Instrument. The section on “**EXCHANGE LISTING AND TRADING (SECONDARY MARKET)**” relates to the second method of investment.

Creation of Shares through Participating Dealers

Any application for the creation of Shares of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Share size or whole multiple thereof (save and except for application during the relevant Initial Offer Period, the Manager may accept an Application Share size which is not a whole multiple thereof) as set out in the section “**Key Information**” in the relevant Appendix. Investors cannot acquire Shares directly from a Sub-Fund. Only Participating Dealers may submit Creation Applications to the Company and the Manager (with a copy to the Administrator and/or Registrar).

Shares in each Sub-Fund are continuously offered through a Participating Dealer, who may apply for them on any Dealing Day 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 Company and the Manager (with a copy to the Administrator and/or Registrar).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit creation requests received from its clients, subject always to (i) mutual agreement between the relevant initial Participating Dealer and its clients as to its fees for handling such requests; (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to create Shares for the relevant initial Participating Dealer on behalf of such clients (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 initial Participating Dealer and its clients as to the method of effecting such creation requests.

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 Shares of the relevant Sub-Fund or class, (ii) the redemption of Shares of the relevant Sub-Fund or class, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund or class of Shares 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 a substantial part of the investments of the Sub-Fund;
- (c) where acceptance of the creation request or any investment in connection with such 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 necessary for compliance with applicable Laws and Regulations;
- (d) circumstances outside the control of the Participating Dealer which make it for all practicable purposes impossible to process the creation request; or
- (e) during any period when the business operations of the Participating Dealer 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.

Requirements Relating to Creation Requests by Potential Investors

The methods and currency of creation available to the Participating Dealers in respect of each Sub-Fund, whether in-kind (i.e. the creation of Shares in exchange for a transfer of investments) or in cash or (if permitted by the Manager) both in-kind and in cash, are specified in the relevant Appendix. A Participating Dealer may in its absolute discretion require a creation request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Creation Application be effected in a particular method. Specifically, the Manager has the right to (a) accept cash equal to or in excess of the market value at the Valuation Point for the relevant Dealing Day of such investment in lieu of accepting such investment as constituting part of the Creation Application; or (b) accept cash collateral on such terms as it determines if (i) such investment is likely to be unavailable for delivery or available in insufficient quantity for delivery to the relevant Custodian or the relevant Sub-Custodian in connection with the Creation Application; or (ii) the Participating Dealer is restricted by regulation or otherwise from investing or engaging in a transaction in that investment.

A Participating Dealer may impose fees and charges in handling any creation request which would increase the cost of investment. Investors 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 each Sub-Fund closely, neither the Company, the Manager, the Custodian, the Administrator nor the Registrar is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Company, the Manager, the Custodian, the Administrator or the Registrar or to accept any such creation requests received from clients. In addition, neither the Custodian, the Administrator, the Registrar nor the Company can ensure effective arbitrage by 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 a Sub-Fund can be submitted by it to the Company and the Manager (with a copy to the Administrator and/or Registrar). Investors are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Share size for a Sub-Fund is the number of Shares specified in the relevant Appendix. Save and except for application during the relevant Initial Offer Period, Creation Applications submitted in respect of Shares other than in Application Share size or whole multiples thereof will not be accepted. The minimum subscription for each Sub-Fund is one Application Share.

Creation Process

A Participating Dealer may from time to time submit Creation Applications in respect of a Sub-Fund to the Company and the Manager (with a copy to the Administrator and/or Registrar), following receipt of creation

requests from clients or where it wishes to create Shares of the relevant Sub-Fund 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 Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager may determine in consultation with the Custodian on any day when the trading hours of the SEHK or the Recognised Stock Exchange are reduced. To be effective, a Creation Application must:

- (a) be given by a Participating Dealer in accordance with the Instrument, the relevant Participation Agreement and the relevant Operating Guidelines;
- (b) specify the number of Shares and the class of Shares (where applicable) which is the subject of the Creation Application; and
- (c) include the certifications required in the Participation Agreement and the Operating Guidelines (if any) in respect of creations of Shares, together with such certifications and opinions of counsel (if any) as either the Company or the Manager may separately consider necessary to ensure compliance with applicable securities and other laws in relation to the creation of Shares which are the subject of the Creation Application.

The Company 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 Shares of the relevant Sub-Fund or class, (ii) the redemption of Shares of the relevant Sub-Fund or class, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund or class of Shares is suspended;
- (b) where in the opinion of the Manager, acceptance of the Creation Application would have an adverse effect on the relevant Sub-Fund or class;
- (c) where, if relevant to a Sub-Fund, in the opinion of the Manager, acceptance of the Creation Application would have a material impact on the relevant market on which a substantial part of the investments of the Sub-Fund has its primary listing;
- (d) 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 a substantial part of the investments of the Sub-Fund;
- (e) where acceptance of the Creation Application would render the Company in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Company or the Manager necessary for compliance with applicable Laws and Regulations;
- (f) circumstances outside the control of the Company or the Manager which make it for all practicable purposes impossible to process the Creation Application;
- (g) any period during which the business operations of the Company or any delegate of the Company in respect of a Creation Application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or
- (h) an Insolvency Event occurs in respect of the relevant Participating Dealer.

In the event of such rejection, the Company shall notify the Administrator and/or the Registrar and the relevant Participating Dealer of its decision to reject such Creation Application in accordance with the Operating Guidelines.

The Company'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 Company may exercise its rights to reject such Creation Application in the circumstances described herein.

Where the Company accepts a Creation Application from a Participating Dealer, it shall instruct the Administrator and Registrar to effect (i) for the account of the Sub-Fund, the creation of Shares in Application Share size in exchange for a transfer of cash and/or investments (at the discretion of the Participating Dealer but subject to the Manager's agreement); and (ii) the issue of Shares to the Participating Dealer, both in accordance with the Operating Guidelines and the Instrument.

Issue of Shares

Shares will be issued at the Issue Price prevailing on the relevant Dealing Day, provided that there may be added 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**" for the calculation of the Issue Price.

On receipt of a Creation Application by a Participating Dealer for Shares in a Sub-Fund during the relevant Initial Offer Period, the Company shall procure the creation and issue of Shares in that Sub-Fund on the relevant Initial Issue Date.

Shares are denominated in the base currency of the relevant Sub-Fund (unless otherwise determined by the Directors) as set out in the relevant Appendix and no fractions of a Share shall be created or issued by the Company.

Payment in cleared funds is generally due prior to creation and issue of Shares. The creation and issue of Shares pursuant to a Creation Application shall be effected on the Business Day after the relevant Dealing Day on which the Creation Application has been received and accepted in accordance with the Operating Guidelines and cash and/or Virtual Assets equal to the Issue Price (as well as any Duties and Charges and Transaction Fees) are received by the Custodian or the Sub-Custodian(s) before the Dealing Deadline. However, for valuation purposes only, Shares 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, subject to the Company confirming to the Registrar that settlement has occurred, the register will be updated on the Business Day after the relevant Dealing Day. An Extension Fee may be payable in relation to such an extension. See the section on "**FEES AND EXPENSES**" for further details.

If a Creation Application (together with cleared funds) 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 Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application.

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

Fees Relating to Creation Applications

The Conversion Agent, the Service Agent, the Registrar and/or the Administrator 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 same Sub-Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer applying for such Shares and may be set off and deducted against any cash amount due to the Participating Dealer in respect of such Creation Applications for the benefit of the Administrator, the Registrar, the Conversion Agent and/or the Service Agent. See the section on "**FEES AND EXPENSES**" for further details.

Payment in cleared funds is generally due prior to creation and issue of Shares. However, if Shares are issued without cleared funds having been received, the Company reserves the right to require the Participating Dealer to pay or cause to be paid an additional sum for the purpose of compensating or

reimbursing the Sub-Fund for the difference between:

- (a) the prices used when valuing the investments, as applicable, of the Sub-Fund for the purpose of such issue of Shares; and
- (b) the prices which would be used when acquiring the same investments, as applicable, if they were acquired by the Sub-Fund with the amount of cash received by the Sub-Fund upon such issue of Shares.

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

Any commission, remuneration or other sum payable by the Company or Manager to any agent or other person in respect of the issue or sale of any Share shall not be added to the Issue Price of such Share and shall not be paid from the assets of any Sub-Fund.

Cancellation of Creation Applications

A Creation Application once submitted cannot be revoked or withdrawn without the consent of the Company.

The Company may cancel Shares created and issued in respect of a Creation Application if (a) all the cash and/or investments relating to the Creation Application have not been invested by or on the Initial Issue Date or the relevant Processing Day (as the case may be) or to the Company's satisfaction or evidence of title and instruments of transfer satisfactory to the Company have not been produced to or to the order of the Company; or (b) the full amount of (i) any cash payable in connection with the relevant Creation Application and (ii) any Duties and Charges, incidental costs associated with the creation of Shares and Transaction Fee payable have not been received in cleared funds by or on behalf of the Administrator by such time on the Initial Issue Date or the relevant Processing Day (as the case may be) as prescribed in the Operating Guidelines, provided that in either event the Company may at its discretion, (i) extend the settlement period (either for the Creation Application as a whole or for a particular investment) such extension to be on such terms and conditions (including as to the payment of an Extension Fee or otherwise as the Company may determine) as the Directors may determine and in accordance with the provisions of the Operating Guidelines; or (ii) partially settle the Creation Application to the extent to which investments and/or cash have been vested in, or to the account of the Sub-Fund, on such terms and conditions as the Directors may determine including terms as to any extension of the settlement period for the outstanding investments or cash.

In addition to the preceding circumstances, the Company may also cancel any creation order for any Shares if the Company 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 Shares deemed created pursuant to a Creation Application as provided for above or if a Participating Dealer otherwise withdraws subject to the Company's consent a Creation Application (other than in certain circumstances contemplated in the Instrument such as when the Manager declares a suspension of creations of Shares), the investments deposited for exchange that have been vested in the Company and/or any cash received by or on behalf of the Company in connection with the relevant Creation Application (in either case in respect of such cancelled Shares) shall be redelivered to the Participating Dealer (without interest) as soon as reasonably practicable and the relevant Shares shall be deemed for all purposes never to have been created and the Participating Dealer shall have no right or claim against the Company, the Manager, the Custodian, the Administrator, the Registrar, the Conversion Agent and/or the Service Agent in respect of such cancellation provided that:

- (a) the Administrator may charge the relevant Participating Dealer for the account of the Administrator an application cancellation fee (see the section on "**FEES AND EXPENSES**" for further details);
- (b) the Company may at its absolute discretion require the Participating Dealer to pay to the Company, for the account of the relevant Sub-Fund, in respect of each Share so cancelled Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Share exceeds the Redemption Value which would have applied in relation to each such Share if the Participating Dealer had, on the date on which such Shares are cancelled, made a Redemption Application,

together with charges, expenses and losses incurred by the Sub-Fund as a result of any 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 Company, the Administrator, the Registrar, the Conversion Agent and/or the Service Agent (see the section on “**FEES AND EXPENSES**” for further details); and
- (d) no previous valuations of the Scheme Property shall be re-opened or invalidated as a result of the cancellation of such Shares.

Redemption of Shares Through Participating Dealers

Any application for the redemption of Shares of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Share size or whole multiples thereof. Investors cannot redeem Shares directly from the relevant Sub-Fund. Only Participating Dealers may submit Redemption Applications to the Company and the Manager (with a copy to the Administrator and/or Registrar).

A Participating Dealer may redeem Shares 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 Company and the Manager (with a copy to the Administrator and/or Registrar).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit redemption requests received from its clients, subject always to (i) mutual agreement between the relevant initial Participating Dealer and its clients 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 Shares for the relevant initial Participating Dealer on behalf of its clients (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 initial Participating Dealer and its clients as to the method of effecting such redemption request.

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 Shares of the relevant Sub-Fund or class, (ii) the redemption of Shares of the relevant Sub-Fund or class, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund or class of Shares 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 a substantial part of the investments of the Sub-Fund;
- (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 necessary for compliance with applicable Laws and Regulations;
- (d) circumstances outside the control of the Participating Dealer which make it for all practicable purposes impossible to process the redemption request; or
- (e) during any period when the business operations of the Participating Dealer are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Requirements Relating to Redemption Requests by Potential Investors

The methods and currency of redemption available to the Participating Dealers in respect of each Sub-

Fund, whether in-kind (i.e. the redemption of Shares in exchange for a transfer of investments plus any cash amount) or in cash only, are as set out in the relevant Appendix. A Participating Dealer may in its absolute discretion require a redemption request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Redemption Application be effected in a particular method. Specifically, the Manager has the right to instruct the relevant Custodian to deliver cash equivalent of any investment in connection with the Redemption Application to the Participating Dealer if (a) such investment is likely to be unavailable for delivery or available in insufficient quantity for delivery in connection with the Redemption Application; or (b) the Participating Dealer is restricted by regulation or otherwise from investing or engaging in a transaction in that investment.

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 each Sub-Fund closely, neither the Manager nor the Administrator 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 Administrator or to accept any such redemption requests received from clients. In addition, neither the Company 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 a Sub-Fund can be submitted by it to the Company and the Manager (with a copy to the Administrator and/or Registrar). You are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Share size for a Sub-Fund is the number of Shares specified in the relevant Appendix. Redemption Applications submitted in respect of Shares other than in Application Share size or whole multiples thereof will not be accepted. The minimum redemption for each Sub-Fund is one Application Share.

Redemption Process

A Participating Dealer may from time to time submit Redemption Applications in respect of a Sub-Fund to the Company and the Manager (with a copy to the Administrator and/or Registrar), following receipt of redemption requests from clients or where it wishes to redeem Shares of the relevant Sub-Fund 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 Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager may determine in consultation with the Custodian on any day when the trading hours of the SEHK are reduced.

To be effective, a Redemption Application must:

- (a) be given by a Participating Dealer in accordance with the Instrument, the relevant Participation Agreement and the relevant Operating Guidelines;
- (b) specify the number of Shares and the class of Shares (where applicable) which is the subject of the Redemption Application; and
- (c) include the certifications required in the Participation Agreement and the Operating Guidelines (if any) in respect of redemptions of Shares, together with such certifications and opinions of counsel (if any) as either the Company or the Manager may consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of Shares which are the subject of the Redemption Application.

The Company 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 Shares of the relevant Sub-Fund or class, (ii) the redemption of Shares of the relevant Sub-Fund or class, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund or class of Shares is suspended;
- (b) where in the opinion of the Manager, acceptance of the Redemption Application would have an adverse effect on the relevant Sub-Fund or class;
- (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 a substantial part of the investments of the Sub-Fund;
- (d) where acceptance of the Redemption Application would render the Company in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Company or the Manager necessary for compliance with applicable Laws and Regulations;
- (e) circumstances outside the control of the Company or the Manager which make it for all practicable purposes impossible to process the Redemption Application; or
- (f) any period during which the business operations of the Company or any delegate of the Company in respect of a Redemption Application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

In the event of such rejection, the Company shall notify the Administrator and/or the Registrar and the relevant Participating Dealer of its decision to reject such Redemption Application in accordance with the Operating Guidelines.

The Company'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 Company may exercise its rights to reject such Redemption Application in the circumstances described herein.

Where the Company accepts a Redemption Application from a Participating Dealer, it shall (i) effect the redemption and cancellation of the relevant Shares; and (ii) require the Custodian, the Sub-Custodian and/or the Administrator to transfer to the Participating Dealer investments and/or cash in accordance with the Operating Guidelines and the Instrument.

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

Redemption of Shares

Any accepted Redemption Application will be effected on the Business Day after the relevant Dealing Day provided that a Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Company) has been received and provided further that the Company shall have received (unless otherwise provided in the Operating Guidelines) the original (and not a faxed copy) of the certificates (if any) representing the Shares to be cancelled (or an indemnity in terms acceptable to the Company) 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, Shares 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 Shareholder of such Shares shall be removed from the Register in respect of those Shares redeemed and cancelled on the relevant Processing Day.

The Redemption Value of Shares tendered for redemption and cancellation shall be the Net Asset Value per Share of a Sub-Fund (or class of Shares) on the relevant Dealing Day rounded to the nearest 6 decimal places (0.0000005 or above being rounded up, and less than 0.0000005 being rounded down). The benefit of any rounding adjustments will be retained by the relevant Sub-Fund. 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 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 Shares is not suspended.

The Company may at its discretion extend the settlement period (but in any event not to a date more than one month from the receipt of an effective Redemption Application) upon receipt of the extended settlement request by a Participating Dealer in respect of the Redemption Application on such terms and conditions (including as to the payment of the Extension Fee or otherwise as the Company may determine) as the Manager and the Custodian may in their discretion determine, in accordance with the Operating Guidelines.

Fees Relating to Redemption Applications

The Conversion Agent, the Service Agent, the Administrator and/or the Registrar 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 same Sub-Fund). 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 Administrator, the Registrar, the Conversion Agent and/or the Service Agent. See the section on “**FEES AND EXPENSES**” for further details.

In relation to cash redemption of Shares, notwithstanding the aforesaid regarding the redemption and cancellation of Shares based on Net Asset Value, the Participating Dealer may be required to pay an additional sum for the purpose of compensating or reimbursing a Sub-Fund for the difference between:

- (a) the prices used when valuing the investments, as applicable of the Sub-Fund for the purpose of such redemption of Shares; and
- (b) the prices which would be used when selling the same investments, as applicable if they were sold by the Sub-Fund in order to realise the amount of cash required to be paid out of the Sub-Fund upon such redemption of Shares.

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

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

Where a Sub-Fund redeems in-kind in respect of SEHK listed Securities, the Conversion Agent may charge a Share Cancellation Fee in connection with each accepted Redemption Application.

Cancellation of Redemption Applications

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

No investment shall be transferred and/or no cash amount shall be paid in respect of any Redemption Application unless Shares, which are the subject of the Redemption Application, have been delivered to the Company free and clear of any Encumbrance for redemption by such time on the Processing Day or other deadline as the Company shall for the time being prescribe for Redemption Applications generally.

In the event that Shares, which are the subject of a Redemption Application, are not delivered to the Company for redemption in accordance with the foregoing or are not free and clear of any Encumbrance (other than in certain circumstances contemplated in the Instrument such as when the Manager declares

a suspension of redemptions of Shares):

- (a) the Administrator may charge the relevant Participating Dealer for the account of the Administrator an application cancellation fee (see the section on “**FEES AND EXPENSES**” for further details);
- (b) the Company may at its absolute discretion require the Participating Dealer to pay to the Company, for the account of the relevant Sub-Fund, in respect of each Share so cancelled Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Share is less than the Issue Price which would have applied in relation to each such Share if the Participating Dealer had, on the actual date when the Company is able to repurchase any replacement investments made a Creation Application in accordance with the provisions of the Instrument plus such other amount as the Company reasonably determines as representing any charges, expenses and losses incurred by the Sub-Fund 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 Company, the Administrator, the Registrar, the Conversion Agent and/or the Service Agent (see the section on “**FEES AND EXPENSES**” for further details); and
- (d) no previous valuations of the Scheme Property 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 Shares representing in aggregate more than 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund as permitted by the SFC) of the total number of Shares in a Sub-Fund then in issue, the Company may reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares 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 a Sub-Fund as permitted by the SFC) of the total number of Shares in the relevant Sub-Fund then in issue. Shares 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 relevant Sub-Fund themselves exceed 10% (or such higher percentage as the Manager may determine in respect of that Sub-Fund as permitted by the SFC) of the total number of Shares in the relevant Sub-Fund then in issue) in priority to any other Shares in the relevant Sub-Fund for which redemption requests have been received. Shares 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 (in consultation with the Custodian and, in respect of redemptions, where practicable following consultation with the relevant Participating Dealers and having regard to the best interests of the Shareholders), suspend the creation or issue of Shares of any Sub-Fund or class of Shares, suspend the redemption of Shares of any Sub-Fund or class of Shares and/or (subject to all applicable legal or regulatory requirements where payment of redemption proceeds exceeds one calendar month) delay the payment of any monies and transfer of any investments, as the case may be, in respect of any Creation Application and/or Redemption Application in the following circumstances:

- (a) during any period when trading on the SEHK or any other Recognised Stock Exchange is restricted or suspended;
- (b) during any period when a market on which a substantial part of the investments of the Sub-Fund, has its primary listing, or the official clearing and settlement depository (if any) of such market, is closed;
- (c) during any period when dealing on a market on which a substantial part of the investments of the Sub-Fund, has its primary listing is restricted or suspended;

- (d) during any period when, in the opinion of the Manager, settlement or clearing of investments, as the case may be, in the official clearing and settlement depository (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 investments, as the case may be, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Shareholders of the relevant Sub-Fund;
- (f) during any period when the Index for the relevant Sub-Fund is not compiled or published;
- (g) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Share of the relevant class or when for any other reason the value of any investments or other property for the time being comprised in the relevant Sub-Fund 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 relevant Sub-Fund or class of Shares is suspended or if any circumstance specified in the sub-section on “**Suspension of Determination of Net Asset Value**” under the section “**DETERMINATION OF NET ASSET VALUE**” below arises; or
- (i) during any period when the business operations of the Company, the Manager, the Custodian, any Sub-Custodian, the Administrator, the Registrar or any delegate of the Company or the Manager in respect of a Creation Application or Redemption Application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

The Manager shall notify the SFC and publish a notice of suspension following the suspension on the Company’s website at www.pandofinance.com.hk (this website has not been reviewed by the SFC) or in such other publications as it decides. In the case of a prolonged suspension, notice(s) will be published and/or prominent message(s) will be displayed on the Company’s website at www.pandofinance.com.hk (this website has not been reviewed by the SFC) or in such other publications as it decides at least once a month during the period of such suspension.

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 Company and the Company shall promptly notify and request the Custodian and/or any Sub-Custodian to return to the Participating Dealer any investments and/or cash received by them 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 Shareholding

Shares will be deposited, cleared and settled by the CCASS. Shares are held in registered entry form only, which means that no Share certificates are issued. HKSCC Nominees Limited is the registered owner (i.e. the sole holder of record) of all outstanding Shares deposited with the CCASS and is holding such Shares for the participants in accordance with the General Rules of HKSCC and HKSCC Operational Procedures. Furthermore, the Company, the Manager and the Custodian acknowledge that pursuant to the General Rules of HKSCC neither HKSCC Nominees Limited nor HKSCC has any proprietary interest in the Shares. Investors owning Shares in CCASS are beneficial owners as shown on the records of the participating

brokers or the relevant Participating Dealer(s) or PD Agent(s) (as the case may be) who are participants of CCASS.

Restrictions on Shareholders

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

- (a) in contravention of any laws or requirements of any country, any governmental authority or any stock exchange on which such Shares are listed;
- (b) in circumstances (whether directly or indirectly affecting such person and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the Directors' opinion, might result in the Company, the Sub-Fund, the Directors, any service provider and/or other Shareholders incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company, the Sub-Fund, the Directors, service provider and/or other Shareholders might not otherwise have incurred or suffered; or
- (c) in breach of any applicable anti-money laundering or identification verification or national status or residency requirements imposed on him (whether under the terms of any underlying investment arrangement or otherwise) including without limitation the issue of any warranty or supporting document required to be given to the Company.

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

Transfer of Shares

The Instrument provides that a Shareholder may transfer Shares subject to the provisions of the Instrument.

As all Shares will be held in CCASS, an investor is entitled to transfer Shares 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 Directors may from time to time approve. A transferor remains the Shareholder of the Shares transferred until the name of the transferee is entered in the register of Shareholders in respect of the Shares being transferred. Each instrument of transfer must relate to a single Sub-Fund only. To the extent that all Shares are deposited, cleared and settled in CCASS, HKSCC Nominees Limited will be the sole Shareholder, holding such Shares for the persons admitted by HKSCC as a HKSCC participant and to whose account any Shares are for the time being allocated in accordance with the General Rules of HKSCC and HKSCC Operational Procedures.

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

General

The purpose of the listing of the Shares on the SEHK is to enable investors to buy and sell Shares 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 Shares in the primary market.

The market price of a Share listed or traded on the SEHK may not reflect the Net Asset Value per Share. Any transactions in the Shares 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 Shares are listed on the SEHK they will remain listed.

The Manager use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Shares of each Sub-Fund. Where a Multi-Counter has been adopted in respect of a Sub-Fund the Manager will use its best endeavours to put in place arrangements so that there is at least one Market Maker for each available counter although these Market Makers 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 may make available to a Market Maker, the portfolio composition information made available to a Participating Dealer.

Shares 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 Shares, the Market Makers may make or lose money based on the differences between the prices at which they buy and sell Shares, which is to a certain extent dependent on the difference between the purchase and sale prices of the underlying investments of the relevant Sub-Fund or the underlying investments comprised within the Index, as the case may be. Market Makers may retain any profits made by them for their own benefit and they are not liable to account to the relevant Sub-Fund in respect of their profits.

If you wish to buy or sell Shares on the secondary market, you should contact your brokers.

The Shares of Pando Bitcoin ETF and Pando Ethereum ETF will be accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from the respective date of commencement of dealings in the Shares of Pando Bitcoin ETF and Pando Ethereum ETF on the SEHK or such other date as may be determined by HKSCC.

Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any Trading Day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

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

Shares are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Shares of any Sub-Fund on one or more other stock exchanges.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Shares on the SEHK until dealings begin on the SEHK.

Please also refer to the sub-sections on "**Exchange Listing and Trading (Secondary Market)**" in the relevant Appendix of the Sub-Fund for additional disclosures on secondary market trading.

DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value of each Sub-Fund will be calculated by the Administrator in the base currency of the relevant Sub-Fund as at each Valuation Point applicable to the relevant Sub-Fund by valuing the assets of the relevant Sub-Fund and deducting the liabilities of the relevant Sub-Fund, in accordance with the terms of the Instrument.

Set out below is a summary of how the investments held by the relevant Sub-Fund are valued:

- (a) Virtual Assets shall be valued with an indexing approach based on Virtual Assets trade volume across major Virtual Assets trading platforms (i.e. a benchmark index published by a reputable provider that reflects a significant share of trading activities in the underlying spot Virtual Assets);
- (b) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager in consultation with the Custodian, any adjustment should be made to reflect the value thereof;
- (c) notwithstanding the foregoing and subject to the applicable Laws and Regulations, the Manager in consultation with the Custodian 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 more appropriate to fairly reflect the value of the investment; and
- (d) If no net asset value, bid and offer prices or price quotations are available, the value of the relevant asset shall be determined from time to time in such manner as the Manager in consultation with the Custodian shall determine.

Currency conversion will be performed at such rates as may be agreed between the Administrator and/or the Custodian with the Manager from time to time.

The above is a summary of the key provisions of the Instrument with regard to how the various assets of the relevant Sub-Fund are valued.

To the extent that the valuation or accounting basis adopted by the Sub-Funds deviates from IFRS, the Manager may make necessary adjustments in the annual financial statements to comply with IFRS. Any such adjustments will be disclosed in the financial reports, including a reconciliation note to reconcile values arrived at by applying the Company's valuation rules.

Suspension of Determination of Net Asset Value

Subject to the Laws and Regulations, the Manager may, in consultation with the Custodian, declare a suspension of the determination of the Net Asset Value of the relevant Sub-Fund or of any class of Shares 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 relevant Sub-Fund;
- (b) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise a substantial part of any investments held or contracted for the account of the relevant Sub-Fund or it is not possible to do so without seriously prejudicing the interest of Shareholders of the relevant Sub-Fund;
- (c) for any other reason (including but not limited to closures of the constituent exchanges in the Index or whether the Index is unable to calculate the price of the investments) such that the prices of investments of the relevant Sub-Fund 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 relevant Sub-Fund or the Net Asset Value per Share of the relevant class or when for any other reason the value of any investments or other property for the time being comprised in the relevant Sub-Fund 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, a substantial part of the investments or other property of the relevant Sub-Fund or the subscription or redemption of Shares of the relevant class 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 Company, the Manager, the Custodian, any Sub-Custodian, the Administrator or any delegate of the Company or the Manager in respect of the determination of the Net Asset Value of the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Any suspension shall take effect forthwith upon its declaration and thereafter there shall be no determination of the Net Asset Value of the relevant Sub-Fund 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 has ceased to exist; and (2) no other condition under which suspension is authorised exists.

The Manager shall immediately after declaration of any such suspension by the Manager notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on the Company's website at www.pandofinance.com.hk (this website has not been reviewed by the SFC) or in such other publications as the Company decides.

No Shares of a Sub-Fund will be issued or redeemed during any period of suspension of the determination of the Net Asset Value of the relevant Sub-Fund.

Issue Price and Redemption Value

The Issue Price which is the subject of a Creation Application during the Initial Offer Period of a Sub-Fund (or a class of Shares) will be a fixed amount per Share, or (where applicable) a percentage of the closing level of the relevant Index (expressed in the base currency of the relevant Sub-Fund) as at the last day of the Initial Offer Period, rounded to the nearest 6 decimal places (0.0000005 or above being rounded up, and less than 0.0000005 being rounded down), or such other amount from time to time determined by the Manager. The Issue Price during the Initial Offer Period of each Sub-Fund will be set out in the relevant Appendix.

After the expiry of the Initial Offer Period, the Issue Price of Shares of a Sub-Fund (or class of Shares) created and issued pursuant to a Creation Application on a Dealing Day, shall be the Net Asset Value of the relevant Sub-Fund (or class of Shares) as at the relevant Valuation Point of the relevant Dealing Day on which the Creation Application is received divided by the total number of Shares in issue rounded to the nearest 6 decimal places (0.0000005 or above being rounded up, and less than 0.0000005 being rounded down).

The Redemption Value on a Dealing Day shall be the Net Asset Value of the relevant Sub-Fund (or class of Shares) as at the relevant Valuation Point of the relevant Dealing Day on which the Redemption Application is received divided by the total number of Shares in issue rounded to the nearest 6 decimal places (0.0000005 or above being rounded up, and less than 0.0000005 being rounded down).

The benefit of any rounding adjustments will be retained by the relevant Sub-Fund.

The latest Net Asset Value of the Shares will be available on the Company's website at www.pandofinance.com.hk (this website 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 a Sub-Fund as set out below, current as at this date of this Prospectus. Where any levels of fees and expenses applicable to a particular Sub-Fund differs from the following, such fees and expenses will be set out in full in the relevant Appendix.

Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Shares (applicable both during the Initial Offer Period and After Listing)	Amount
Transaction fee payable to the Administrator	Please refer to the Appendix for the relevant Sub-Fund
Service Agent's Fee	HK1,000 ¹ per book-entry deposit and book-entry withdrawal transaction
Application cancellation fee	Up to USD1,200 ² per Application
Extension Fee	Up to USD1,200 ³ per Application
Stamp duty	Nil
All other Duties and Charges incurred by the Custodian or the Manager in connection with the creation or redemption	As applicable

Fees and expenses payable by investors	Amount
<i>(i) Fees payable by clients of the Participating Dealers in respect of creations and redemptions (as applicable) via the Participating Dealer (applicable both during the Initial Offer Period and After Listing)</i>	
Fees and charges imposed by the Participating Dealer ⁴	Such amounts as determined by the relevant Participating Dealer
<i>(ii) Fees payable by all investors in respect of dealings in the Shares on SEHK (applicable After Listing)</i>	
Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% ⁵ of the trading price

¹ The Service Agent's Fee of HKD1,000 is payable by a Participating Dealer to the Service Agent for each book-entry deposit or book-entry withdrawal transaction.

² An application cancellation fee is payable to the Administrator in respect of either a withdrawn or failed Creation Application or Redemption Application.

³ An Extension Fee is payable to the Administrator on each occasion the Company, upon a Participating Dealer's request, grants the Participating Dealer an extended settlement in respect of a Creation Application or Redemption Application.

⁴ 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.

⁵ Transaction levy of 0.0027% of the trading price of the Shares, payable by each of the buyer and the seller.

AFRC transaction levy	0.00015% ⁶ of the trading price
SEHK trading fee	0.00565% ⁷ of the trading price
Stamp duty	Nil ⁸

Fees and expenses payable by a Sub-Fund	See the relevant Appendix
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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 a Sub-Fund

Management Fee

The Manager is entitled to receive in respect of a Sub-Fund (or any class thereof), a management fee accrued daily and calculated as at each Dealing Day and payable monthly in arrears as a percentage of the Net Asset Value of such Sub-Fund (or such class) at the rates as specified in the relevant Appendix subject to a maximum fee as specified in the relevant Appendix.

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

Custodian Fee and Administrator Fee

The Custodian and the Administrator are entitled to receive in respect of a Sub-Fund (or any class thereof), an aggregate fee accrued daily and calculated as at each Dealing Day and payable monthly in arrears as a percentage of the Net Asset Value of such Sub-Fund (or such class) at the rates as specified in the relevant Appendix subject to a minimum fee (if applicable) and a maximum fee as specified in the relevant Appendix.

The Custodian and the Administrator are also entitled to receive various safekeeping, transaction and processing fees and other applicable fees as remuneration for providing the relevant services to the relevant Sub-Fund as agreed with the Company from time to time and to be reimbursed by the relevant Sub-Fund for all out-of-pocket expenses properly incurred on behalf of the relevant Sub-Fund by the Custodian and/or the Administrator in the performance of their respective duties (including, but are not limited to, sub-custody fees and expenses, stamp duties, transaction levies and other market costs).

Registrar Fee

The Registrar is entitled to receive in respect of a Sub-Fund a fee as specified in the relevant Appendix. The Registrar is also entitled to receive various transaction and processing fees as agreed with the Company from time to time and to be reimbursed by the relevant Sub-Fund (or the relevant class) properly incurred by it in the performance of its duties.

Sub-Custodian Fee

Where a Sub-Custodian is appointed in respect of a Sub-Fund, the Sub-Custodian will be entitled to a sub-custodian fee, which may be payable from the assets of the relevant Sub-Fund as set out in the relevant Appendix.

⁶ AFRC transaction levy of 0.00015% of the trading price of the Shares, payable by each of the buyer and the seller.

⁷ SEHK trading fee of 0.00565% of the trading price of the Shares, payable by each of the buyer and the seller.

⁸ Stamp duty is waived with effect from 13 February 2015 pursuant to the Stamp Duty (Amendment) Ordinance 2015.

Directors' Remuneration and Expenses

Under the Instrument, the Directors shall not be entitled to remuneration for their services as Directors.

The Company may pay any travelling, accommodation and other expenses properly incurred by Directors in connection with their attendance at meetings of Directors, general meetings, separate meetings of the Shareholders or any Sub-Fund or class of Shareholders or the exercise of their powers and the discharge of their responsibilities in relation to the Company.

Estimated Ongoing Charges

The estimated ongoing charges of any newly established Sub-Fund, which are the sum of estimated ongoing expenses chargeable to the relevant Sub-Fund over a 12-month period expressed as a percentage of its estimated average Net Asset Value over the same period, and the actual ongoing charges of any existing Sub-Fund, which are the sum of actual ongoing expenses chargeable to the relevant Sub-Fund over a 12-month period expressed as a percentage of its actual average Net Asset Value over the same period, are set out in the KFS of the relevant Sub-Fund. Where a Sub-Fund is newly established the Manager will make a best estimate of the ongoing charges and keep such estimate under review. The establishment costs of a Sub-Fund may also be included in the ongoing charges calculation payable by a Sub-Fund and in those cases will be set out in the relevant Appendix. Ongoing expenses may be deducted from the assets of a Sub-Fund where these are permitted by the Instrument, the UT Code, the OFC Code and the law. These include all types of cost borne by a Sub-Fund, whether incurred in its operation or the remuneration of any party. For the Sub-Funds, the estimated or actual ongoing charges do not represent the estimated or actual tracking error. Where disclosed in an Appendix of a Sub-Fund, ongoing charges and expenses of that Sub-Fund may be borne by the Manager.

Promotional Expenses

A Sub-Fund 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 Sub-Fund will not be paid (either in whole or in part) out of the Scheme Property.

Other Expenses

The Sub-Funds will bear all operating costs relating to the administration of the Sub-Funds 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 Shares on the SEHK or other exchange and maintaining the Company's and the Sub-Funds' 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 Sub-Funds by the Manager, the Custodian and/or the Administrator (as referred to in the sub-section on "***Custodian Fee and Administrator Fee***" above) or the Registrar or any of its service providers, the expenses incurred in convening meetings of Shareholders, preparing, printing and distributing annual and interim financial reports and other circulars relating to the Sub-Funds and the expenses of publishing Share prices.

Establishment Costs

The cost of establishing the Company and the initial Sub-Fund (namely Pando Bitcoin ETF) including the initial 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 including, if considered appropriate by the Manager, any additional costs of determining the stock code, is approximately USD66,000 and will be borne by the initial Sub-Fund (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Sub-Fund) and will be amortised over the first five financial years of the Company and the initial Sub-Fund (or such other period as determined by the Manager after consulting the Auditor and the Custodian). Where subsequent Sub-Funds are established in the future, the Manager may determine that

the unamortised establishment costs of the Company or a part thereof may be re-allocated to such subsequent Sub-Funds.

The cost of establishing subsequent Sub-Fund(s) will be borne by the relevant Sub-Fund to which such costs relate and will be amortised over the first five financial years of the relevant Sub-Fund (or such other period as determined by the Manager after consulting the Auditor and the Custodian).

The attention of investors is drawn to the risk factor entitled "**Valuation and Accounting Risk**" in the section headed "**RISK FACTORS**".

Increase in Fees

The current fees in respect of each Sub-Fund payable to the Manager, the Custodian and the Administrator as described in the relevant Appendix may be increased up to or towards the maximum rates set out in the relevant Appendix on not less than one week's notice to Shareholders (or such shorter period as may be allowed by the SFC). In the event that such fees are to be increased beyond the maximum rates set out in the relevant Appendix, such increase is subject to the prior approval by the SFC and not less than one month's notice shall be given to Shareholders.

RISK FACTORS

An investment in any Sub-Fund carries various risks. Each of these may affect the Net Asset Value, yield, total return and trading price of the Shares. A Sub-Fund's investment portfolio may fall in value due to any of the risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal. Investors should carefully evaluate the merits and risks of an investment in the relevant Sub-Fund 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 each Sub-Fund. You should refer to additional risk factors, specific to each Sub-Fund, as set out in the relevant Appendix.

General Investment Risks

Investment Objective Risk

There is no assurance that the investment objective of a Sub-Fund will be achieved. Whilst it is the intention of the Manager to implement strategies which are designed to achieve the investment objective and to minimise tracking error, there can be no assurance that these strategies will be successful. In addition, trading errors are an intrinsic factor in any investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. It is possible that you as an investor may lose a substantial proportion or all of its investment in a Sub-Fund, including where the relevant Index value declines. As a result, each investor should carefully consider whether you can afford to bear the risks of investing in the relevant Sub-Fund.

Market Risk

The Net Asset Value of each Sub-Fund will change with changes in the market value of the investments it holds. The price of Shares 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 each Sub-Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. A Sub-Fund's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, a Sub-Fund may experience volatility and decline in a manner that broadly corresponds with the relevant Index. Investors in each Sub-Fund are exposed to the same risks that investors who invest directly in the underlying investments would face. These risks include, for example, interest rate risks (risks of changes in portfolio values with changes in interest rates); and credit risk (risk of a default by a counterparty).

Asset Class Risk

Although the Manager is responsible for the continuous supervision of the investment portfolio of each Sub-Fund, the returns from the types of investments in which the Sub-Fund invests (either directly or indirectly) may underperform or outperform returns from other investment markets or from investment in other assets. Different types of investments tend to go through cycles of out-performance and underperformance when compared with other general investment markets.

Management Risk

Each Sub-Fund 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. There can be no guarantee that a Sub-Fund will fully replicate the relevant Index. In addition, the Manager has absolute discretion to exercise Shareholders' rights with respect to investments comprising a Sub-Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of a Sub-Fund being achieved.

Concentration Risk

A Sub-Fund may be subject to concentration risk as a result of having a strategy of concentrating in, for example, tracking the performance of a single asset class, geographical region or country or industry sector.

The Index of a Sub-Fund may be comprised of a limited number of investments. The value of such Sub-Fund is likely to be more volatile than a fund having a more diverse portfolio of investments, such as a global equity fund, as it is more susceptible to fluctuations in value of the investments or the Index resulting from adverse conditions in the particular asset class, geographical region, country or industry sector (including economic, political, policy, foreign exchange, liquidity, tax, legal or regulator event). Where an Index of a Sub-Fund tracks a particular asset class or region or country or industry sector or where the Index has a small number of constituents, risk factors specific to the relevant Sub-Fund are set out in its Appendix. Please refer to each Sub-Fund's Appendix for details.

Investments Risk

The investments of each Sub-Fund are subject to risks inherent in all investments (including settlement and counterparty risks). The value of holdings may fall as well as rise. The global markets may experience very high levels of volatility and instability, resulting in higher levels of risk than is customary (including settlement and counterparty risks).

Counterparty Risk

Counterparty risk involves the risk that a counterparty or third party (e.g. the Custodian, the Sub-Custodian and virtual asset trading platform(s)) will not fulfil its obligations to a Sub-Fund and settle a transaction in accordance with market practice. A Sub-Fund may be exposed to the risk of a counterparty through investments.

A Sub-Fund may be exposed to the credit risk of any Custodian, Sub-Custodian(s) and virtual asset trading platform(s), or any depository used by the Custodian where cash or other Scheme Property is held by the Custodian, Sub-Custodian(s) or other depositaries. In the event of the insolvency of the Custodian, Sub-Custodian(s) or other depositaries, a Sub-Fund will be treated as a general creditor of the Custodian, Sub-Custodian(s) or other depositaries in relation to cash holdings of the relevant Sub-Fund. The Sub-Fund's investments are however maintained by the Custodian, Sub-Custodian(s) or other depositaries in segregated accounts and should be protected in the event of insolvency of the Custodian, Sub-Custodian(s) or other depositaries.

A Custodian may be unable to perform its obligations due to credit-related and other events like insolvency of or default of it. In these circumstances the relevant Sub-Fund may be required to unwind certain transactions and may encounter delays of some years and difficulties with respect to court procedures in seeking recovery of the relevant Sub-Fund's assets.

Loss of Capital Risk

There is no guarantee that a Sub-Fund's investments will generate positive returns for the Sub-Fund. In addition, errors in the execution of investment orders are an intrinsic factor in any investment process, and may occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. The above may adversely affect the value of the relevant Sub-Fund and therefore a Shareholder's capital investment in the relevant Sub-Fund may suffer losses.

Indemnity Risk

Under the Custody Agreement and the Management Agreement, the Custodian and the Manager (and their respective directors, officers, employees, delegates and agents) shall be entitled, except to the extent of any fraud, negligence, or wilful default on its (or their) part, to be indemnified and held harmless out of the assets of the relevant Sub-Fund in respect of any (in addition to any right of indemnity given by law) actions, proceedings, liabilities, costs, claims, damages, expenses or demands to which it (or they) may be put or which it (or they) may incur or suffer by virtue of the proper performance of its (or their) respective obligations or duties. Any reliance by the Custodian or the Manager on the right of indemnity would reduce the assets of a Sub-Fund and the value of the Shares.

Dividends May Not be Paid Risk

Whether a Sub-Fund will pay distributions on its Shares is subject to the Manager's distribution policy (as described in the relevant Appendix) and also mainly depends on dividends declared and paid in respect of the investments comprising the Index or in the Sub-Fund's portfolio. In addition, dividends received by a Sub-Fund may be applied towards meeting the costs and expenses of that Sub-Fund. Dividend payment rates in respect of such investments will depend on factors beyond the control of the Manager including, general economic conditions, and the financial position and dividend policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Distributions Out Of or Effectively Out Of Capital Risk

Subject to the disclosure in the relevant Appendix, the Manager may, at its discretion make distributions out of (i) capital and/or (ii) gross income while all or part of the fees and expenses of a Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by each Sub-Fund and therefore, each Sub-Fund may effectively pay distributions out of the capital. Payment of distributions 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 distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Share and will reduce the capital available for future investment. The Manager may amend its distribution policy subject to the SFC's prior approval (if required) and by giving not less than one month's prior notice to Shareholders.

Early Termination Risk

A Sub-Fund may be terminated early under certain circumstances as set out in the Instrument and summarised under the sub-section headed "**Termination (otherwise than by winding up)**" under the section "**STATUTORY AND GENERAL INFORMATION**" below. Upon a Sub-Fund being terminated, the Company will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the relevant Sub-Fund to the Shareholders in accordance with the Instrument. Investors may suffer a loss where a Sub-Fund is terminated because any such amount recovered by may be more or less than the capital invested by the Shareholder.

Government Intervention and Restriction Risk

Governments and regulators may intervene in the financial markets, such as by the imposition of trading restrictions, a ban on short selling or the suspension of short selling for certain investments. This may affect the operation and market making activities of the Sub-Fund, and may have an unpredictable impact on the Sub-Funds, including increasing or decreasing the level of premium or discount of the Share price to Net Asset Value or affecting the ability of a Sub-Fund to track the relevant Index. Furthermore, such market interventions may have a negative impact on the market sentiment which may in turn affect the performance of the companies in which a Sub-Fund invests or the relevant Index and as a result the performance of the relevant Sub-Fund.

No Right to Control the Sub-Fund's Operation Risk

Investors will have no right to control the daily operations, including investment and redemption decisions, of the Sub-Funds.

Reliance on the Manager Risk

Shareholders must rely on the Manager in implementing the investment strategies and the performance of the Sub-Funds is largely dependent on the services and skills of their officers and employees. The Directors of the Company will use reasonable care, skill and diligence to oversee the activities of the Manager and in the case of loss of service of the Manager or any of their 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 Company will use its best endeavours to find successor managers (or successor key personnel) or investment delegates with the requisite skills and qualifications. However, there is no guarantee that the Company will be able to do so quickly or at all and the new appointment may not be on equivalent terms or of similar quality, in which case the occurrence of those events could cause a deterioration in the Company's performance and

investors may lose money in those circumstances.

Currency Risk

Underlying investments of a Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. Also, a class of Shares may be designated in a currency other than the base currency of the Sub-Fund. The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls. If the relevant Sub-Fund's Net Asset Value is determined on the basis of HKD, an investor may lose money if he invests in any Sub-Fund if the local currency of a foreign market depreciates against the HKD, even if the local currency value of the Sub-Fund's holdings goes up.

Risks Associated with Investment in a Passively Managed Sub-Fund

Passive Investment Risk

The passively managed Sub-Funds are not actively managed and may be affected by a decline in the market segments relating to the relevant Index or Indices. The Manager does not attempt to select other securities or Virtual Assets or take defensive positions even in declining markets. Investors may lose a significant part of their respective investments if the Index falls. Each Sub-Fund invests in the relevant Virtual Asset tracked by the relevant Index regardless of its investment merit. Investors should note that, in general, the lack of discretion on the part of the Manager (except for exceptional circumstances such as a "hard fork" event) to adapt to market changes due to the inherent investment nature of the Sub-Fund will mean a decline in the Index or Indices are expected to result in corresponding falls in the Net Asset Values of the Sub-Fund, and investors may lose substantially all of their investment.

Tracking Error Risk

A Sub-Fund may not provide investment results that closely correspond to the performance of the price of the Virtual Assets as reflected by the Index due to a number of factors. For example, the level of fees, taxes and expenses payable by a Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of each Sub-Fund can be estimated, the growth rate of a Sub-Fund, and hence its Net Asset Value, cannot be anticipated. The above factors may cause a Sub-Fund's returns to deviate from the performance of its Index. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time to achieve the performance of the relevant Index.

Risks Associated with the Index

Fluctuations Risk

The performance of the Shares of a Sub-Fund should, before fees and expenses, correspond closely with the performance of the relevant Index. If the relevant Index experiences volatility or declines, the price of the Shares of the Sub-Fund which tracks that Index will vary or decline accordingly.

Index Termination Risk

If the Index of a Sub-Fund is terminated, the Manager will, in consultation with the Custodian of the Sub-Fund, seek the SFC's prior approval to replace the Index with another index that has similar objectives. If the Manager and the Custodian of the Sub-Fund do not agree within a reasonable period on a suitable replacement index acceptable to the SFC, the Manager may, in its discretion, terminate the Sub-Fund.

Compilation of Index Risk

The methodology of each Index are determined and composed by the relevant Index Provider without regard to the performance of the relevant Sub-Fund. Each Sub-Fund is not sponsored, endorsed, sold or promoted by the relevant Index Provider. Each Index Provider makes no representation or warranty, express or implied, to investors in any Sub-Fund or other persons regarding the advisability of investing in investments generally

or in any Sub-Fund particularly. Each Index Provider has no obligation to take the needs of the Manager or investors in the relevant Sub-Fund into consideration in determining, composing or calculating the relevant Index. There is no assurance that an Index Provider will compile the relevant Index accurately, or that the Index will be determined, composed or calculated accurately, in which case there might be significant difference between the return of a Sub-Fund and the relevant Index. In addition, the process and the basis of computing and compiling the Index and any of its related formulae 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 an Index Provider will not prejudice the interests of the relevant Sub-Fund, the Manager or investors.

Risks Associated with Market Trading

Absence of Active Market and Liquidity Risks

The Shares of a Sub-Fund may not initially be widely held upon their listing on the SEHK. Accordingly, any investor buying Shares in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, one or more Market Makers have been appointed. However, there can be no assurance that an active trading market for such Shares will develop or be maintained or that such Market Maker(s) will continue to fulfil that role. In addition, if the trading markets for the underlying investments which the Sub-Fund holds are limited, inefficient or absent, or if the bid-offer spreads are wide, this may adversely affect the price at which investments may be purchased or sold by a Sub-Fund upon any rebalancing activities or otherwise, and the value of the Shares and the ability of an investor to dispose of its Shares at the desired price. If an investor needs to sell his, her or its Shares at a time when no active market for them exists, the price received for the Shares – assuming an investor is able to sell them – is likely to be lower than the price received if an active market did exist.

Further, there can be no assurance that Shares will experience trading or pricing patterns similar to those of exchange traded funds which are issued by investment companies in other jurisdictions or, where applicable, those traded on the SEHK which are based upon indices other than the relevant Index.

Suspension of Trading Risk

Investors and potential investors will not be able to buy, nor will investors be able to sell, Shares on the SEHK during any period in which trading of the Shares is suspended. The SEHK may suspend the trading of Shares 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 Shares may also be suspended if the trading of Shares is suspended.

Effect of Redemptions Risk

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

In addition, the Manager may also in certain circumstances suspend the determination of the Net Asset Value of a Sub-Fund for the whole or any part of any period. Please see the section on "**DETERMINATION OF NET ASSET VALUE**" for further details.

Shares May Trade at Prices Other than Net Asset Value Risk

Shares may trade on the SEHK at prices above or below the most recent Net Asset Value. The Net Asset Value per Share of each Sub-Fund is calculated at the end of each Dealing Day and fluctuates with changes in the market value of the relevant Sub-Fund's holdings. The trading prices of the Shares fluctuate continuously throughout the trading hours which are driven by market factors such as the demand and supply of the Shares rather than Net Asset Value. The trading price of the Shares may deviate significantly from Net

Asset Value particularly during periods of market volatility. Any of these factors may lead to the Shares of the relevant Sub-Fund trading at a premium or discount to the Sub-Fund's Net Asset Value. On the basis that Shares can be created and redeemed in Application Shares 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 Shares will normally trade at prices close to the relevant Sub-Fund's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the relevant Sub-Fund'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 (for example, as a result of imposition of capital controls by a foreign government) 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 Shares 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.

The Manager cannot predict whether Shares will trade below, at, or above their Net Asset Value. Since, however, Shares must be created and redeemed in Application Share size at Net Asset Value (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 Shares should not be sustained. If the Manager suspends creations and/or redemptions of Shares, the Manager anticipates that there may be larger discounts or premiums as between the secondary market price of Listed Class of Shares and the Net Asset Value.

Trading Risk

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on the SEHK, investors may pay more than the Net Asset Value per Share when buying Shares on the SEHK, and may receive less than the Net Asset Value per Share when selling Shares 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 Shares (bid price) and the price at which they are willing to sell Shares (ask price). Frequent trading may detract significantly from investment results and an investment in Shares may not be advisable particularly for investors who anticipate making small investments regularly.

Restrictions on Creation and Redemption of Shares Risk

Investors should note that a Sub-Fund is not like a typical retail investment fund offered to the public in Hong Kong (for which units or shares can generally be purchased and redeemed directly from the manager). Shares of a Sub-Fund may only be created and redeemed in Application Share sizes directly by a Participating Dealer (either on its own account or on behalf of an investor through a stockbroker which has opened an account with the Participating Dealer). Other investors may only make a request (and if such investor is a retail investor, through a stockbroker which has opened an account with a Participating Dealer) to create or redeem Shares in Application Share sizes through a Participating Dealer which reserves the right to refuse to accept a request from an investor to create or redeem Shares under certain circumstances. Alternatively, investors may realise the value of their Shares by selling their Shares through an intermediary such as a stockbroker on the SEHK, although there is a risk that dealings on the SEHK may be suspended. Please refer to the section headed "**CREATIONS AND REDEMPTIONS (PRIMARY MARKET)**" for details in relation to the circumstances under which creation and redemption applications can be rejected.

Secondary Market Trading Risk

Shares in a Sub-Fund may trade on the SEHK when the relevant Sub-Fund does not accept orders to subscribe or redeem Shares. On such days, Shares may trade in the secondary market with more significant premiums or discounts than might be experienced on days when the Sub-Fund accepts subscription and redemption orders.

Reliance on Market Maker(s) Risk

Although the Manager will use its best endeavours to put in place arrangements so that there is at least one Market Maker to maintain a market for the Shares of each Sub-Fund, it should be noted that liquidity in the market for the Shares may be adversely affected if there is no or only one Market Maker for Shares of the

relevant Sub-Fund. The Manager will seek to mitigate this risk by using its best endeavours to put in place arrangements so that at least one Market Maker for the Shares of the Sub-Fund gives not less than 3 months' notice prior to terminating market making arrangement under the relevant market making agreement(s). It is possible that there is only one SEHK Market Maker to a Sub-Fund, 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 Dealer(s) Risk

The creation and redemption of Shares may only be effected through Participating Dealer(s). A Participating Dealer may charge a fee for providing this service. Participating Dealer(s) will not be able to create or redeem Shares 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, where applicable, the Index is not compiled or published. In addition, Participating Dealer(s) will not be able to issue or redeem Shares if some other event occurs that impedes the calculation of the Net Asset Value of the relevant Sub-Fund or disposal of the relevant Sub-Fund's investments cannot be effected. Where a Participating Dealer appoints an agent or delegate (who is a Participant) to perform certain CCASS-related functions, if the appointment is terminated and the Participating Dealer fails to appoint an alternative agent or delegate, or if the agent or delegate ceases to be a Participant, the creation or redemption of Shares by such Participating Dealer may also be affected. Since the number of Participating Dealers at any given time will be limited, and there may even be only one Participating Dealer at any given time, there is a risk that investors may not always be able to create or redeem Shares freely.

Trading Time Differences Risk

As a stock exchange or futures exchange or trading platform may be open when the Shares are not priced, the value of any investment which comprises the Index or the portfolio of the Sub-Fund may change when investors may not be able to buy or sell Shares. Further the price of investments may not be available during part of the Trading Day due to trading hour differences which may result in the trading price of Shares deviating from the Net Asset Value per Share.

Risk relating to Audits of the Sub-Fund

Audits of the Sub-Fund that invests in Virtual Assets are distinct from those conducted for traditional investment funds. It is imperative to implement specialized procedures to ensure that investments and transactions are accurately recorded and valued, due to the significant differences in the independent verification of Virtual Asset ownership (such as confirming ownership of a balance on a Virtual Asset Trading Platform) compared to conventional confirmations with a securities broker or bank account. The Manager, Custodian, Administrator, and/or Registrar must establish robust processes to facilitate the auditor's access to the Sub-Fund's transaction history, thereby enabling the accurate preparation of audited financial statements. Any deficiencies in these processes may result in delays or impediments during the audit process. Additionally, the inherent complexity of Virtual Assets may pose challenges in the preparation of the Sub-Fund's audited financials.

Difficulties in Valuation of Investments Risk

Investments acquired on behalf of a Sub-Fund may subsequently become illiquid due to events relating to the asset class, market and economic conditions and regulatory sanctions. The market value of such investments may become more difficult or impossible to ascertain. In cases where no clear indication of the value of an investment in a Sub-Fund's portfolio is available (for example, when the secondary markets on which an investment is traded have become illiquid) the Manager may in consultation with the Custodian apply valuation methods to ascertain the fair value of such investments, pursuant to the Instrument. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Sub-Fund.

Risks Associated with Regulation

Withdrawal of SFC Authorisation Risk

The Company and each Sub-Fund have been authorised as a collective investment scheme under the UT Code by the SFC under Section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of the Company or any of the Sub-Funds nor does it guarantee the commercial merits of the Company, any of the Sub-Funds or their performance. This does not mean the Company or the Sub-Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors. The SFC reserves the right to withdraw the authorisation of the Company or a Sub-Fund (for example if the relevant Index of a Sub-Fund is no longer considered acceptable) or impose such conditions as it considers appropriate. If the Manager does not wish the Company or any Sub-Fund to continue to be authorised by the SFC, the Manager will give investors 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 or waivers from the UT Code which may be withdrawn or varied by the SFC. If, as a result of such withdrawal or variation of conditions or waivers from the UT Code, it becomes illegal, impractical or inadvisable to continue the Company or a Sub-Fund, the Company or the Sub-Fund (as applicable) will be terminated.

General Legal and Regulatory Risk

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

Shares may be Delisted from the SEHK Risk

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

Taxation Risk

Investing in a Sub-Fund may have tax implications for a Shareholder depending on the particular circumstances of each Shareholder. 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 Shares. Such tax consequences may differ in respect of different investors.

FATCA-related Risks

The US Foreign Account Tax Compliance Act ("**FATCA**") provides that a 30% withholding tax will be imposed on certain payments to certain foreign financial institutions, such as the Company and each Sub-Fund, including interests and dividends from securities of US issuers, unless the Company provide the withholding agent with certification to comply with FATCA and the Company obtains and reports the name, address and taxpayer identification number of certain US persons that own, directly or indirectly, an interest in the relevant Sub-Fund, as well as certain other information relating to any such interest. The US Internal Revenue Service (the "**IRS**") has released regulations and other guidance that provide for the implementation of the foregoing withholding and reporting requirements. The United States Department of the Treasury and Hong Kong have entered into an intergovernmental agreement based on the Model 2 arrangement. Although the Company and each Sub-Fund will attempt to satisfy any obligations imposed on them to avoid the imposition of FATCA withholding tax, no assurance can be given that the Company and each Sub-Fund will be able to fully satisfy these obligations. If any Sub-Fund becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Shareholders may suffer material loss.

The Company and each Sub-Fund's ability to comply with FATCA will depend on each Shareholder providing the Company or its agent with information and, where applicable, consents to report that the Company requests concerning the Shareholder or its direct and, under certain circumstances, its indirect owners. As at the date of this Prospectus, all Shares are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has registered as a participating foreign financial institution.

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 Shareholders should consult with their own tax advisers regarding the possible implications of FATCA and the tax consequences on their investments in a Sub-Fund. Shareholders who hold their Shares through intermediaries should also confirm the FATCA compliance status of those intermediaries.

Legal and Compliance Risk

Domestic and/or international laws or regulations may change in a way that adversely affects the Company or the Sub-Funds. Differences in laws between jurisdictions may make it difficult for the Custodian or the Manager to enforce legal agreements entered into in respect of the Sub-Funds. The Custodian and the Manager reserve the right to take steps to limit or prevent any adverse effects from changes to laws or their interpretation, including altering investments of or restructuring the Sub-Funds.

Valuation and Accounting Risk

The Manager intends to adopt IFRS in drawing up the annual financial reports of each Sub-Fund. 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. Investors should note that under IFRS, establishment costs should be expensed as incurred and that the amortisation of the expenses of establishing a Sub-Fund is not in accordance with IFRS; however, the Manager has considered the impact of such non-compliance and has considered that it will not have a material impact on the financial statements of each Sub-Fund. To the extent that the basis adopted by a Sub-Fund for subscription and redemption purposes deviates from IFRS, the Manager may make necessary adjustments in the annual financial reports for the financial reports to be in compliance with IFRS. Any such adjustments will be disclosed in the annual financial reports, including a reconciliation.

Contagion Risk

The Instrument allows the Company to issue Shares in separate Sub-Funds. The Instrument provides for the manner in which the liabilities are to be attributed across the various Sub-Funds under the Company (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 Company granting that person a security interest). The rights of a Custodian to reimbursement and indemnity out of the Scheme Property may result in Shareholders of a Sub-Fund being compelled to bear liabilities in respect of other Sub-Funds.

Cross Liability Risk

The assets and liabilities of each Sub-Fund under the Company will be tracked, for book keeping purposes, separately from the assets and liabilities of any other Sub-Funds, and the Instrument 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 COMPANY AND SUB-FUNDS

The Directors

The Directors of the Company are Li Xiaolai and Ren Junfei.

The Manager

The Manager is Pando Finance Limited.

The Manager was incorporated in Hong Kong on 20 January 2021 and is licensed by the Commission to conduct Types 1 (dealing in securities), 4 (advising on securities) and 9 (asset management) regulated activities under the Securities and Futures Ordinance with CE number BRR710. It shall comply with the "Terms and conditions for licensed corporations or registered institutions which manage portfolios that invest in virtual assets" (as amended from time to time) with respect to providing virtual asset related asset management services.

The directors of the Manager

The directors of the Manager are Li Xiaolai and Ren Junfei.

The Custodian

The Custodian of the Company is BOCI-Prudential Trustee Limited which is incorporated in Hong Kong and registered as a trust company under the Trustee Ordinance (Cap. 29) of Hong Kong. The Custodian is a joint venture founded by BOC Group Trustee Company Limited and Prudential Corporation Holdings Limited. BOC Group Trustee Company Limited is owned by Bank of China (Hong Kong) Limited and BOC International Holdings Limited, which are subsidiaries of Bank of China Limited. The principal activity of the Trustee is the provision of trustee services. The Custodian is licensed by SFC for carrying on Type 13 regulated activity (Providing Depository Services for the Relevant Collective Investment Schemes).

Under the Custody Agreement, the Custodian is responsible for the safekeeping of the assets of the Company and each Sub-Fund, subject to the provisions of the Instrument and the SFO.

The Custodian may, however, appoint a person or persons (including a Connected Person of the Custodian) to be agent, nominee, custodian, joint custodian, co-custodian and/or sub-custodian ("**Custodian Delegate**") to hold certain assets of any Sub-Fund and may empower any such person or persons to appoint, with no objection in writing by the Custodian. The Custodian may also appoint delegates for the performance of its duties, powers or discretions under the Custody Agreement. The Custodian is required to (a) exercise reasonable care, skill and diligence in the selection, appointment and monitoring of such persons and, (b) be satisfied that such persons retained remain suitably qualified and competent on an ongoing basis to provide the relevant custodial services to the Sub-Funds provided however that if the Custodian has discharged its obligations set out in (a) and (b) above, the Custodian shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any such Custodian Delegate(s) not being the Custodian's Connected Person (including SFC-licensed virtual asset trading platforms). The Custodian however shall remain liable for any act or omission of any such person that is a Connected Person of the Custodian and that is appointed as Custodian Delegate to hold certain assets of any Sub-Fund as if the same were the acts or omissions of the Custodian. The Custodian shall not be liable for any act or failure to act by the Custodian that may arise directly or indirectly in connection with the Custody Agreement, other than any liability which is caused directly by negligence or fraud or wilful default of the Custodian.

The Custodian shall not be liable for: (a) any act, omission, insolvency, liquidation or bankruptcy of Euro-clear Clearing System Limited or Clearstream Banking S.A. or any other recognised or central depositories or clearing system which may from time to time be approved by the Custodian and the Manager; or (b) the custody or control of any investments, assets or other property which is under the custody or control of or on behalf of a lender in respect of any borrowing made by the Custodian for the purposes of the Company or any Sub-Fund.

Please refer to the sub-section on “**Indemnities of the Custodian**” under the section “**STATUTORY AND GENERAL INFORMATION**” below for the indemnities available to the Custodian under the Custody Agreement or the Instrument.

The Custodian will remain as the primary custodian of the Company until it retires or is removed. The circumstances under which the Custodian may retire or be removed are set out in the Custody Agreement. Where any Sub-Fund is authorised pursuant to section 104 of the Securities and Future Ordinance, any change in the Custodian is subject to the SFC’s prior approval and the Custodian will remain as the custodian of the Company until a new primary custodian is appointed. Shareholders will be duly notified of any such changes in accordance with the requirements prescribed by the SFC.

The Custodian will be entitled to the fees described in the section headed “**FEES AND EXPENSES**” above and to be reimbursed for all costs and expenses in accordance with the provisions of the Custody Agreement.

The Custodian is not responsible for the preparation or issue of this Prospectus and neither the Custodian nor any of its subsidiaries, affiliates, directors and other officers, shareholders, servants, employees, agents or permitted delegates accept any responsibility or liability for any information contained in this Prospectus other than the description under this sub-section headed “**The Custodian**”.

The Custodian may appoint a person or persons (including a Connected Person of the Custodian) to be the Sub-Custodian to hold certain assets of the Sub-Fund and may empower its appointed Sub-Custodian to further appoint nominees, agents and/or delegates provided that such appointment is made with no objection in writing by the Custodian.

The Sub-Custodian

When a Sub-Custodian is appointed to take custody of Virtual Assets, such Sub-Custodian, in the capacity of taking custody of Virtual Assets of the Sub-Funds, shall be subject to the same set of regulatory requirements under the relevant virtual asset trading platforms guidelines issued by the SFC from time to time. In particular, the Sub-Custodian taking custody of Virtual Assets for the relevant Sub-Fund shall:

(A) ensure that the Virtual Assets holdings are segregated from its own assets and the assets it holds for their other clients;

(B) store most of the Virtual Assets holdings in the cold wallet. The amount and duration of Virtual Assets holdings stored in the hot wallet should be minimised as much as possible, save for meeting the needs of subscriptions and redemptions; and

(C) ensure the seeds and private keys are (i) securely stored in Hong Kong; (ii) tightly restricted to authorised personnel; (iii) sufficiently resistant to speculation (e.g., through generation in a non-deterministic manner) or collusion (through measures such as multi-signature and key sharding); and (iv) properly backed up to mitigate any single point of failure.

Information relating to the Sub-Custodian of each Sub-Fund is set out in the relevant Appendix.

The Administrator

BOCI-Prudential Trustee Limited has been appointed as the Administrator of each Sub-Fund and shall carry out certain financial, administrative functions and other services in relation to each Sub-Fund on its behalf and is responsible for, among other things: (i) calculating the Net Asset Value and Net Asset Value per Share of any class relating to each Sub-Fund, and (ii) the general administration of each Sub-Fund, which includes the proper book keeping of each Sub-Fund.

The Registrar

BOCI-Prudential Trustee Limited acts as the Registrar for each Sub-Fund under the terms of the

Administration Agreement, unless otherwise stated in the relevant Appendix. The Registrar provides services in respect of the establishment and maintenance of the register of the Shareholders of each Sub-Fund, and handling of issue and redemption of Shares of each Sub-Fund.

SFC-licensed Virtual Asset Trading Platforms

As of the date of this Prospectus, the Sub-Funds will trade bitcoin and ether on the following SFC-licensed virtual asset trading platform(s):

CE Reference	Company name of virtual asset trading platform operator	Virtual asset trading platform	Date of licence
BPJ213	OSL Digital Securities Limited	OSL Exchange	15 December 2020

The latest list of SFC-licensed virtual asset trading platform(s) on which the Sub-Funds trade bitcoin and ether is available at www.pandofinance.com.hk (this website 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.

The Service Agent or Conversion Agent

Where a Sub-Fund creates and redeems in-kind in respect of SEHK listed Securities, HK Conversion Agency Services Limited may act as Conversion Agent under the terms of the Conversion Agency Agreement. HK Conversion Agency Services Limited otherwise acts as Service Agent under the terms of the Service Agreement. The Service Agent or Conversion Agent performs, through HKSCC, certain of its services in connection with the creation and redemption of Shares in the Sub-Fund by Participating Dealers.

The Auditor

The Directors have appointed KPMG to act as the Auditor of the Company and each Sub-Fund. The Auditor is independent of the Manager, the Custodian and the Directors of the Company.

The Participating Dealers

A Participating Dealer may act for its own account or for your account as its clients in making Creation Applications and Redemption Applications. Different Sub-Funds may have different Participating Dealers. The latest list of the Participating Dealers in respect of each Sub-Fund is available at www.pandofinance.com.hk (this website has not been reviewed by the SFC).

The Market Makers

A Market Maker is a broker or dealer permitted by the SEHK to make a market for the Shares 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 Shares on the SEHK. Market Makers facilitate the efficient trading of Shares 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 use its best endeavours to put in place arrangements so that there is at all times at least one Market Maker for Shares in each available counter. If the SEHK withdraws its permit to the existing Market Maker(s), the Manager use its best endeavours to put in place arrangements so that there is at least one other Market Maker for each available counter of each Sub-Fund to facilitate the efficient trading of Shares. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker for each available counter of each Sub-Fund will give not less than 3 months’ notice prior to terminating market making under the relevant market making agreement. The latest list of Market Makers for each Sub-Fund is available at www.hkex.com.hk and www.pandofinance.com.hk (this website has not been reviewed by the SFC). Please refer to the sub-section on “**Website Information**” under the section “**STATUTORY AND GENERAL INFORMATION**” for the warning and the disclaimer regarding information contained in such website.

The Listing Agent

Unless otherwise specified in the relevant Appendix, Altus Capital Limited has been appointed by the Manager as the Listing Agent for each Sub-Fund in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in respect of the relevant Sub-Fund's listing on the SEHK. The Listing Agent is a licensed corporation which holds, amongst others, a Type 6 (advising on corporate finance) regulated activity licence under the SFO with CE Number AGH102.

Conflicts of Interest and Soft Dollars

The Manager, the Custodian and the Sub-Custodian may, from time to time, act as manager, sub-investment manager, investment delegate, trustee or custodian or in such other capacity in connection with any collective investment scheme separate and distinct from the Company and each Sub-Fund 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 a Sub-Fund as agent for the Sub-Fund or deal with any Sub-Fund as principal with the prior written consent of the Custodian.
- (b) The Custodian, the Sub-Custodian, 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 Shareholder or any company or body any of whose shares or securities form part of the relevant Sub-Fund's assets.
- (c) The Custodian, the Sub-Custodian, the Manager or any of their Connected Persons may become the owner of Shares and hold, dispose or otherwise deal with them with the same rights which it would have had if it had not been the Custodian, the Sub-Custodian, the Manager or any of their Connected Persons.
- (d) The Custodian, the Sub-Custodian, 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 a Sub-Fund.
- (e) Any arrangements for the borrowing or deposit of any monies for the account of a Sub-Fund may be made with any of the Custodian, the Manager, any investment delegate 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 type, size and term, in the same currency and with institutions of similar standing, negotiated at arm's length in accordance with ordinary and normal course of business. Any such deposits shall be maintained in a manner that is in the best interests of Shareholders.
- (f) Neither the Custodian nor the Sub-Custodian nor the Manager nor any of their Connected Persons shall be liable to account to each other or to any Sub-Fund or to the Shareholders 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 Custodian, the Sub-Custodian, the Manager or any of their Connected Persons may, in the course of business, have potential conflicts of interest with a Sub-Fund. Each will, at all times, have regard in such event to its obligations to the Sub-Fund and the Shareholders 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 a Sub-Fund as agent in accordance with normal market practice, provided that commissions charged to the Sub-Fund 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 a Sub-Fund 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 Sub-Fund 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 Sub-Fund.

None of the Manager, its delegates (including the investment delegates, if any) or any of their Connected Persons shall, retain any cash commission rebates or other payment or benefit (except as otherwise provided for in this Prospectus or in the Instrument) received from a third party (either directly or indirectly) arising out of the sale or purchase or loan of investments for a Sub-Fund, and any such rebates or payments or benefits which are received shall be credited to the account of the Sub-Fund.

The Manager, its delegates (including the investment delegates, if any) or any of their Connected Persons may receive, and are entitled to retain, goods, services or other benefits, such as research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publication (known as soft dollar benefits) which are of demonstrable benefit to a Sub-Fund as a whole and may contribute to an improvement in the performance of the relevant Sub-Fund or of the Manager and/or any of its Connected Persons in providing services to the relevant Sub-Fund (as may be permitted under the UT 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, brokerage rates are not in excess of customary institutional full-service brokerage rates and the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer. For the avoidance of doubt, such goods and services do not include travel accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments. Details of soft commission arrangements will be disclosed in the relevant Sub-Fund's annual report.

The services of the Custodian and the Sub-Custodian provided to the Company and each Sub-Fund are not deemed to be exclusive and the Custodian and the Sub-Custodian 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 monies payable thereby and the Custodian and the Sub-Custodian shall not be deemed to be affected with notice of or to be under any duty to disclose to any Sub-Fund any fact or thing which comes to the notice of the Custodian and the Sub-Custodian in the course of the Custodian and the Sub-Custodian 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 Custody Agreement.

Conflicts of interest may also arise due to the widespread business operations of the Custodian, the Sub-Custodian, the Manager, the Registrar, the Conversion Agent or the Service Agent (as the case may be) 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 Instrument and the relevant agreement(s), be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of a Sub-Fund will be on arm's length terms and in the best interests of Shareholders. For so long as a Sub-Fund is authorised by the SFC and it is an applicable requirement of the UT Code, the Manager, if transacting with brokers or dealers connected to the Manager, investment delegates, the Custodian 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 financial statements of the Sub-Fund.

STATUTORY AND GENERAL INFORMATION

Financial Reports

The financial year-end of the Company (and each Sub-Fund) is 31 March every year. Audited annual financial reports are to be prepared (in accordance with IFRS) and published on the Company's website in English only within 4 months of each financial year-end. Half-yearly unaudited financial reports are also to be prepared up to 30 September of each year and published on the Company's website within 2 months of such date.

Only an English version of the audited financial reports and the half-yearly unaudited financial reports of each Sub-Fund will be available. Printed copies may be requested free of charge from the Manager by contacting it, as described below under the sub-section on "Notices".

The financial reports provide details of the assets of each Sub-Fund and the Manager's statement on transactions during the period under review. The financial reports shall also provide a comparison of each Sub-Fund's performance and the actual relevant Index performance over the relevant period and such other information as is required under the UT Code.

The Instrument

The Company was incorporated in Hong Kong under the SFO on 3 July 2025. Its constitution is set out in the Instrument filed to the Companies Registry of Hong Kong on, and effective as of, 3 July 2025 (and as may be further amended, modified or supplemented from time to time). All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument.

Indemnities of the Manager

Subject to the Instrument, the Company agrees to indemnify the Manager all actions, proceedings, claims, costs, demands, and expenses which may be brought against or suffered or incurred by the Manager by reason of its performance or non-performance of its obligations or functions under the terms of the Management Agreement (other than due to fraud, bad faith, wilful default or negligence on the part of the Manager or persons designated by it) including all legal professional and other expenses incurred by the Manager or persons designated by it in the performance of its obligations or functions and including indemnity obligations owed by the Manager to persons designated by it (except such as shall arise from fraud, bad faith, wilful default or negligence in the performance or non-performance of such obligations or functions).

No provision of the Instrument or the Management Agreement shall be construed as (i) providing any exemption of any liability of the Manager to the Shareholders imposed under Hong Kong law or breaches of trust through fraud or negligence, nor may the Manager be indemnified against such liability by Shareholders or at the Shareholders' expense, or (ii) diminishing or exempting the Manager from any of its duties and liabilities under applicable Laws and Regulations, and no provision shall have the effect of providing any of such exemption or indemnity.

Indemnities of the Custodian

Subject as provided in the Custody Agreement, without prejudice to any indemnity to which the Custodian may otherwise be entitled under applicable law, the Company agrees to defend, fully indemnify and hold the Custodian and its directors, officers, employees and agents harmless from and against any and all loss, damages, costs, expenses, liabilities or claims (including legal and other professional fees) of whatever nature (each a "Loss") arising out of any action taken or omitted to be taken in good faith by the Custodian (a) pursuant to performance of the services; (b) pursuant to the proper instructions and / or authorizations of the Company; (c) arising from claims of third parties asserted against the Custodian; and (d) with respect to taxes, duties, fines and penalties imposed against the Custodian by reason of its holding of the securities and virtual assets for the Company.

Nothing in the Custody Agreement excludes or restricts the liability to the Company which the Custodian may have under the SFO.

No provision in the Custody Agreement or the Instrument shall be construed as (i) providing any exemption of any liability of the Custodian to the Shareholders under Hong Kong law or breaches of trust through fraud or negligence, nor may the Custodian be indemnified against such liability by Shareholders or at the Shareholders' expense, (ii) diminishing or exempting the Custodian from any of its duties and liabilities under applicable Laws and Regulations, and no provision shall have the effect of providing any of such exemption or indemnity.

Modification of the Instrument

An amendment to the Instrument may be made to the extent permitted by the Laws and Regulations applicable to the Company and in accordance with the Instrument.

No alteration to the Instrument may be made unless:

- (a) the alteration has been approved by Shareholders by a special resolution (as defined in the Instrument); or
- (b) the Custodian certifies in writing that in its opinion the proposed alteration: (i) is necessary to make possible compliance with fiscal or other statutory, regulatory or official requirements; (ii) does not materially prejudice Shareholders' interests, does not to any material extent release the Directors, the Manager, the Custodian or any other person from any liability to Shareholders and does not increase the costs and charges payable from the Scheme Property; or (iii) is necessary to correct a manifest error.

In all other cases involving any material changes, no alteration may be made except by a special resolution of Shareholders or the approval of the SFC. The Company shall provide written notice to Shareholders in respect of any alteration to this Instrument and any alteration to the Company generally in accordance with the Laws and Regulations applicable to the Company.

Shareholders and intending applicants are advised to consult the terms of the Instrument for further details.

Meetings of Shareholders

A Shareholder is entitled to appoint another person (whether a Shareholder or not) as a proxy to exercise all or any of the Shareholder's rights to attend and to speak and vote at a general meeting of the Company.

HKSCC may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representatives at any meeting of Shareholders.

Where the Shareholder is a recognised clearing house (within the meaning of the SFO) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any meetings of Shareholders or any meetings of any class of Shareholders in a Sub-Fund provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of Shares in respect of which each such person is so authorised. Subject to the terms of the Instrument, the person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise if it were an individual Shareholder.

Voting Rights

Shareholders' meetings may be convened by the Directors or by Shareholders representing at least 10% of the Shares in issue, on not less than 21 calendar days' notice in respect of a meeting where a special resolution (as defined in the Instrument) is to be proposed and 14 calendar days' notice in respect of a meeting where an ordinary resolution (as defined in the Instrument) is to be proposed.

These meetings may be used to modify the terms of the Instrument, including removing the Manager or terminating a Sub-Fund at any time. Such amendments to the Instrument must be considered by

Shareholders of at least 25% of the Shares in issue and passed by a 75% or more of the votes cast.

Other matters that require an ordinary resolution being passed would be considered by Shareholders of at least 10% of the Shares in issue and passed by a simple majority of more than 50% of the votes cast. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to such day and time not being less than 15 days thereafter and to such place as may be appointed by the chairman of the meeting. At such adjourned meeting, the Shareholders present in person or by proxy shall be a quorum. Notice of any adjourned meeting of Shareholders shall be given in the same manner as for an original meeting and such notice shall state that the Shareholders present at the adjourned meeting, whatever their number and the number of Shares held by them, will form a quorum.

The Instrument contains provisions for the holding of separate meetings of Shareholders holding Shares of different classes where only the interests of Shareholders of such class are affected.

Removal and Retirement of the Directors

A person ceases to be a Director if the person:

- (a) ceases to be a Director or is prohibited from being a Director under the applicable Laws and Regulations or under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
- (b) becomes bankrupt or makes any arrangement or composition with the person's creditors generally;
- (c) becomes a mentally incapacitated person;
- (d) resigns from the office of Director by notice in writing of the resignation of not less than 28 days;
- (e) for more than 6 months has been absent without the Directors' permission from Directors' meetings held during that period;
- (f) upon the expiry of any period or notice period stated in an agreement for the provision of services between the Company and the Director or if such agreement is summarily terminated in accordance with its terms; or
- (g) is removed from the office of Director by an ordinary resolution (as defined in the Instrument).

Special notice (in accordance with the applicable Laws and Regulations) is required of a resolution to remove a Director or appoint a person in place of a Director so removed at the meeting at which the Director is removed.

Removal and Retirement of the Manager

Under the Management Agreement, the Manager must retire in the case of (i) below, and must be subject to removal by notice in writing from the Directors in the case of (ii) to (v) below:

- (i) when it ceases to be eligible to be a Manager or is prohibited from being a Manager under the applicable Laws and Regulations, or when the SFC withdraws its approval of the Manager;
- (ii) when it goes into liquidation, becomes bankrupt or has a receiver appointed over its assets;
- (iii) when for good and sufficient reason, the Directors state in writing that a change in the Manager is desirable in the interests of the Shareholders;
- (iv) if the Manager commits any material breach of its obligations under the Management Agreement and (if such breach shall be capable of remedy) fails within thirty days of receipt of notice served by the Company requiring it so to do to make good such breach; or

- (v) if any law is passed which renders it illegal or, in the opinion of the Directors, impracticable or inadvisable for the Manager to continue to manage the assets of the Company or the Sub-Funds.

Subject to the requirement that the Manager may not retire or be removed or its appointment may not be terminated except upon the appointment of a new manager approved by the SFC, the appointment of the Manager shall automatically terminate forthwith if the Manager becomes or is deemed to become resident for tax purposes or carry on business in any jurisdiction (other than in any place or places as may from time to time be approved by the Directors for such purpose) in circumstances which cause the Company to become liable to pay any taxes which it would not otherwise be liable to pay.

The Manager shall be entitled to retire in favour of some other person considered by the Company to be suitably qualified and approved by the SFC, upon giving written notice to the Company in accordance with the Management Agreement and subject to such person entering into a management agreement similar to the Management Agreement.

In the event that the Manager shall retire or be removed or its appointment shall otherwise terminate, the Company shall appoint another corporation eligible under the Laws and Regulations (as defined in the Management Agreement) to act as the investment manager of an open-ended fund company which is approved by the SFC to be the investment manager of the Company in place of the Manager so retiring or being removed on or before the expiry of any period of notice of such retirement, removal or termination. The retirement or removal or termination of appointment of the Manager should take effect at the same time as the new Manager takes up office.

The Manager may not retire or be removed or its appointment may not be terminated except upon the appointment of a new Manager approved by the SFC.

Removal and Retirement of the Custodian

Under the Custody Agreement, the Custodian must retire in the case of (i) below, and must be subject to removal by notice in writing in the case of (ii) and (iii) below:

- (i) when it ceases to be eligible to be a Custodian or is prohibited from being a Custodian under applicable Laws and Regulations, or when the SFC withdraws its approval of the Custodian;
- (ii) when it goes into liquidation, becomes bankrupt or has a receiver appointed over its assets; or
- (iii) when for good and sufficient reason, the Directors state in writing that a change in the Custodian is desirable in the interests of the Shareholders.

In the event that the Custodian shall retire or be removed or its appointment shall otherwise terminate, the Company shall appoint another corporation eligible under the Laws and Regulations to act as a custodian of an OFC which is approved by the SFC to be the Custodian in place of the Custodian so retiring or being removed on or before the expiry of any period of notice of such retirement, removal or termination. The retirement, removal or termination of appointment of the Custodian should take effect at the same time as the new Custodian takes up office.

The Custodian may not retire or be removed or its appointment may not be terminated except upon the appointment of a new Custodian approved by the SFC.

Termination (otherwise than by winding up)

Without prejudice to any provision in the applicable Laws and Regulations by virtue of which the Company, or a Sub-Fund or a class of Shares may be terminated, the Company, a Sub-Fund or a class of Shares may be terminated, subject to and in accordance with the applicable Laws and Regulations, by the Directors in their absolute discretion if:

- (i) in the case of a Sub-Fund including classes therein, at any date or time the Net Asset Value of the relevant Sub-Fund is less than USD5 million or its equivalent in the base currency of the Sub-Fund;

- (ii) in the case of a class only, there are no Shareholders of such class in a Sub-Fund;
- (iii) in the case of the Company, at any date or time the Net Asset Value of the Company is less than USD5 million or its equivalent in the base currency of the Company;
- (iv) any law shall be passed which renders it illegal or in the reasonable opinion of the Directors impracticable or inadvisable to continue the relevant Sub-Fund or the Company;
- (v) in the case of a Sub-Fund including classes therein, the Index for a Sub-Fund is no longer available for benchmarking;
- (vi) in the case of a Sub-Fund including classes therein, if the Shares of the relevant Sub-Fund are no longer listed on the SEHK or any such other stock exchange from time to time determined by the Manager;
- (vii) in the case of a Sub-Fund including classes therein, at any time, the relevant Sub-Fund ceases to have any Participating Dealer;
- (viii) in the case of a Sub-Fund including classes therein, at any time, the relevant Sub-Fund ceases to have any Market Maker;
- (ix) in the case of a Sub-Fund including classes therein, at any time, the relevant Sub-Fund ceases to have any Sub-Custodian to take custody of Virtual Assets; or
- (x) in the opinion of the Directors, it is impracticable or inadvisable to continue the Company, the relevant Sub-Fund or the relevant class of Shares (as the case may be) (including without limitation, a situation where it is no longer economically viable to operate the Company, the relevant Sub-Fund or the relevant class of Shares).

The Directors shall give reasonable notice of termination of the Company, the relevant Sub-Fund, or the class of Shares (as the case may be) to the Shareholders in the Company, the relevant Sub-Fund or the class of Shares (as the case may be) in such manner and with such contents which are compliant with the applicable Laws and Regulations, and by such notice fix the date on which such termination is to take effect, provided that no less than one month's notice will be given to the relevant Shareholders in case of termination of the Company or a Sub-Fund. Shareholders' approval is not required to effect termination of the Company or a Sub-Fund.

With effect on and from the date as at which the Company or any Sub-Fund is to terminate:

- (a) no Shares of the relevant class or classes may be issued or sold by the Company;
- (b) the Manager shall on the instructions of the Directors realise all the assets then comprised in the relevant Sub-Fund;
- (c) distributions shall be made to the Shareholders of the relevant class or classes in proportion to their respective interests in the relevant Sub-Fund all net cash proceeds derived from the realisation of the relevant Sub-Fund and available for the purpose of such distribution, provided that the Custodian shall be entitled to retain out of any monies in its hands as part of the relevant Sub-Fund full provision for all costs, charges, expenses, claims and demands reasonably incurred by or on behalf of the Company, Directors, the Manager or the Custodian in connection with or arising out of the termination of the relevant Sub-Fund; and
- (d) any unclaimed proceeds or other monies held by the Custodian in the event of a termination may at the expiration of 12 calendar months from the date upon which the same became payable be paid into court, subject to the right of the Custodian to deduct therefrom any expenses it may incur in making such payment.

Every such distribution shall be made in such manner as the Directors shall at their reasonable discretion

determine but shall be made only against the production of such evidence relating to the Shares of the relevant class or classes in respect of which the same is made and upon delivery of such form of request for payment as shall be reasonably required.

Winding Up

Subject to any other provisions applicable to the specific Sub-Fund set out in the relevant Appendix to this Prospectus, the rights of the Shareholders to participate in the property comprised in a Sub-Fund on a winding up of the Company or a Sub-Fund shall be proportionate to the proportionate interests in the Sub-Fund represented by the Shares which they hold.

If the Company or a Sub-Fund is wound up and a surplus remains after the payment of debts proved in the winding up, the liquidator:

- (a) may, with the required sanction of a special resolution (as defined in the Instrument) of the Company or Shareholders of the relevant Sub-Fund and any other sanction required by the Laws and Regulations, divide amongst the Shareholders the whole or any part of the assets of the Company or relevant Sub-Fund (whether they consist of property of the same kind or not) and may, for this purpose, set a value the liquidator thinks fair on any property to be so divided; and
- (b) may determine how the division is to be carried out between the Shareholders or different classes of Shareholders.

Distribution Policy

The Manager will adopt a distribution policy for each Sub-Fund as the Manager considers appropriate having regard to the Sub-Fund's net income, fees and costs. For each Sub-Fund, its distribution policy (including the currency of such distribution) will be set out in the relevant Appendix. Distributions will always depend on dividend payments on investments held by the relevant Sub-Fund which will in turn depend on factors beyond the control of the Manager including, general economic conditions, and the financial position and distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions. Unless otherwise specified in the relevant Appendix, no distribution will be paid out of capital and/or effectively out of capital of the Sub-Fund.

Inspection of Documents

Copies of the following documents in respect of the Company and the Sub-Funds are available for inspection free of charge at all times during normal office hours at the offices of the Manager and copies thereof may be obtained from the Manager upon the payment of a reasonable fee:

- (i) Instrument;
- (ii) Management Agreement;
- (iii) Custody Agreement;
- (iv) Fund Administration Agreement;
- (v) Service Agreement;
- (vi) Conversion Agency Agreement (if any);
- (vii) Participation Agreement(s); and
- (viii) the most recent annual financial statements of the Company and the Sub-Funds (if any) and the most recent interim financial statements of the Company and the Sub-Funds (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 applies to open-ended fund companies whose Securities are listed on the SEHK. However the Company has made a Category 3 application to the SFC for exemption from Part XV of the SFO pursuant to section 309(2) thereof and the Guidelines for the Exemption of Listed Corporations and Other Persons from Part XV of the SFO (Disclosure of Interests). Consequently, Shareholders are not obliged to disclose their interest in the Company or in a Sub-Fund.

Anti-money Laundering Regulations

As part of the Manager's, the Company's, the Administrator's, the Registrar'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 Company, the Administrator, the Registrar, each Sub-Fund or the relevant Participating Dealer is subject, the Manager, the Company, the Administrator, the Registrar or the relevant Participating Dealer may require a detailed verification of an investor's identity and the source of payment of any applications for Shares at any time as they think appropriate. The Company may, to the extent permitted by law, delegate the maintenance of its anti-money laundering procedures to a third party service provider or agent. Depending on the circumstances of each application, a detailed verification by the Manager, the Administrator, the Registrar, or the relevant Participating Dealer 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 Administrator and the Manager as having sufficient anti-money laundering regulations.

Delay or failure to provide with the required documents may result in delay or refusal of application or withholding of redemption proceeds. For the purpose of anti-money laundering and/or counter-terrorist financing, the Manager may compulsorily redeem the Shares held by any Shareholder.

The Manager may, to the extent permitted by law, share, for the purposes of combating money laundering and terrorist financing, the information in connection with the Shareholders with its affiliates.

Certification for Compliance with FATCA or Other Applicable Laws

Each Shareholder (i) will be required to, upon demand by the Company or its agent, provide any form, certification or other information reasonably requested by and acceptable to the Company or its agent that is necessary for the Company or a Sub-Fund (a) to prevent withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate or exemption of withholding or backup withholding in any jurisdiction from or through which the Company or a Sub-Fund receives payments and/or (b) to satisfy due diligence, reporting or other obligations under IRS Code and the United States Treasury Regulations promulgated under the IRS Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certificate or other information is no longer valid, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdictions, including reporting obligations that may be imposed by future legislation.

Power to Disclose Information to Authorities

Subject to applicable Laws and Regulations in Hong Kong, the Manager, the Company or any of their authorised person (as permissible under applicable law or regulation) may be required to report or disclose to any government agency, regulatory authority or tax or competent authority in any jurisdictions (including but not limited to the IRS and the Inland Revenue Department of Hong Kong ("IRD")), certain information in relation to a Shareholder, including but not limited to the Shareholder's name, address, jurisdiction of birth, date of birth, tax residence, tax identification number (if any), and certain information relating to the Shareholder's holdings, account balance/value, and income or sale or redemption proceeds, to enable the

Sub-Fund to comply with any applicable law or regulation or any agreement with the relevant competent authority (including, but not limited to, any applicable law (including any law, rule and requirement relating to AEOI (as defined below)), regulation or agreement under FATCA).

Liquidity Risk Management

The Manager has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of each Sub-Fund and to ensure that the liquidity profile of the investments of the relevant Sub-Fund will facilitate compliance with such Sub-Fund's obligation to meet redemption requests. Such policy, combined with the liquidity management tools of the Manager, also seeks to achieve fair treatment of Shareholders and safeguard the interests of remaining Shareholders in case of sizeable redemptions.

The Manager's liquidity policy takes into account the investment strategy, the liquidity profile, the redemption policy, the dealing frequency, the ability to enforce redemption limitations and the fair valuation policies of each Sub-Fund. These measures seek to ensure fair treatment and transparency for all investors.

The liquidity management policy involves monitoring the profile of investments held by each Sub-Fund on an on-going basis to ensure that such investments are appropriate to the redemption policy as stated under the section headed "**CREATIONS AND REDEMPTIONS (PRIMARY MARKET)**", and will facilitate compliance with each Sub-Fund's obligation to meet redemption requests. Further, the liquidity management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of each Sub-Fund under normal and exceptional market conditions.

As a liquidity risk management tool, the Manager may limit the number of Shares of a Sub-Fund redeemed on any Dealing Day to Shares representing 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund) of the total number of Shares in such a Sub-Fund then in issue (subject to the conditions under the heading entitled "**Deferred Redemption**" in the section headed "**CREATIONS AND REDEMPTIONS (PRIMARY MARKET)**").

Index Licence Agreements

Please refer to the relevant Appendix for details in respect of each Index.

Material Changes to an Index

The SFC should be consulted on any events that may affect the acceptability of an Index. Significant events relating to an Index will be notified to the Shareholders of the relevant Sub-Fund 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 an Index

The Manager reserves the right, with the prior approval of the SFC and provided that in its opinion the interests of the Shareholders of the relevant Sub-Fund would not be adversely affected, to replace an Index with another index in accordance with the provisions of the UT Code and the Instrument. The circumstances under which any such replacement might occur include but are not limited to the following events:

- (a) the relevant 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 Shareholders than the existing Index;
- (e) investing in the investments 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 a Sub-Fund if the relevant Index changes or for any other reasons including if licence to use the Index is terminated. Any change to (i) the use by the relevant Sub-Fund of the Index and/or (ii) the name of the relevant Sub-Fund will be notified to investors.

Information Available on the Internet

The Manager will publish important news and information with respect to each Sub-Fund (including, where applicable, in respect of the relevant Index), in the English and Chinese languages (unless otherwise specified), on the following website www.pandofinance.com.hk (this website has not been reviewed or approved by the SFC) and, where applicable, HKEX's website www.hkex.com.hk including:

- (a) this Prospectus and the KFS in respect of the Sub-Funds (as revised from time to time);
- (b) the latest audited annual and unaudited interim financial reports of the Company and the Sub-Funds (in English only);
- (c) any public announcements made by the Manager in respect of the Sub-Funds, including information in relation to the Sub-Funds and (where applicable) the Sub-Fund's Index, notices of the suspension of the creation and redemption of Shares, the suspension of the calculation of Net Asset Value, changes in fees and charges and the suspension and resumption of trading of Shares;
- (d) any notices relating to material changes to the Sub-Funds that may have an impact on its investors, including notices for material alterations or additions to this Prospectus and KFS of the Sub-Funds or the constitutive documents of the Company and/or a Sub-Fund;
- (e) the near real time indicative Net Asset Value per Share of each Sub-Fund in each trading currency of the Sub-Fund (updated every 15 seconds throughout each dealing day) during normal trading hours on the SEHK;
- (f) the last Net Asset Value of each Sub-Fund in the relevant base currency and the last Net Asset Value per Share of each Sub-Fund in the relevant base currency and each trading currency of the Sub-Fund (updated on a daily basis on each Dealing Day);
- (g) the past performance information of each Sub-Fund;
- (h) (where applicable) the tracking difference and tracking error of each Sub-Fund;
- (i) the full portfolio composition of each Sub-Fund (updated on a monthly basis within one month of the end of each month);
- (j) the latest list of the Participating Dealers and Market Makers for each Sub-Fund;
- (k) if applicable to a Sub-Fund, the composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital), if any, for the last 12 months; and
- (l) the latest list of SFC-licensed virtual asset trading platforms on which the Sub-Funds trade bitcoin and ether and virtual asset sub-custodian(s).

The near real time indicative Net Asset Value per Share (in each trading currency of the Sub-Fund) referred to above is indicative and for reference purposes only. The near real-time indicative Net Asset Value per Share in HKD uses a real-time USD:HKD foreign exchange rate – it is calculated using the near real-time indicative Net Asset Value per Share in USD multiplied by a real-time USD:HKD foreign exchange rate quoted by Solactive AG when the SEHK is opened for trading. The near real-time indicative Net Asset Value per

Share in HKD is updated every 15 seconds throughout the SEHK trading hours. Solactive AG performs the calculation of the near real-time indicative Net Asset Value per Share of each Sub-Fund.

The last Net Asset Value per Share (in each trading currency of the Sub-Fund) referred to above is indicative and for reference purposes only and is calculated using the last Net Asset Value per Share in USD multiplied by an assumed foreign exchange rate using the USD:HKD exchange rate quoted by Bloomberg at 4:00 pm (Hong Kong time) as of the same Dealing Day provided by the Administrator. The Administrator performs the calculation of the last Net Asset Value per Share of each Sub-Fund.

Where applicable, real-time updates about the relevant Index can be obtained through other financial data vendors. Investors should obtain additional and the latest updated information about the relevant Index (including without limitation, a description of the way in which the Index is calculated, any change in the composition of the relevant Index, any change in the method for compiling and calculating the relevant Index) via the Manager's website at www.pandofinance.com.hk (this website has not been reviewed by the SFC) and the relevant Index Provider's website. Please refer to the sub-section on "**Website Information**" for the warning and the disclaimer regarding information contained in such website.

Notices

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

Company

Pando Virtual Assets ETF Series OFC
Suite 1408, 14/F Two Exchange Square
8 Connaught Place
Hong Kong

Manager

Pando Finance Limited
Suite 1408, 14/F Two Exchange Square
8 Connaught Place
Hong Kong

Custodian

BOCI-Prudential Trustee Limited
1501-1507 & 1513-1516, 15/F
1111 King's Road
Taikoo Shing
Hong Kong

Website Information

The offer of the Shares 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. Neither the Company, the Manager nor the Custodian 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 Company, the Manager and the Custodian in relation to any person's use of or reliance on the information contained in these other websites and sources save, in respect of the Manager, the Company's website www.pandofinance.com.hk (this website has not been reviewed by the SFC). 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.

Queries and complaints

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

Address: Suite 1408, 14/F Two Exchange Square, 8 Connaught Place, Hong Kong

Telephone Number: +852 3891 3288

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

TAXATION

The following summary of taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Shares. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Shares both under the laws and practice of Hong Kong and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force 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 relevant tax authorities will not take a contrary position to the tax treatments described below. Investors should refer to additional summaries of applicable taxation, where appropriate, as set out in the Appendix relevant to a Sub-Fund.

Hong Kong

Taxation of the Company and Sub-Funds

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

Taxation of the Shareholders

Where the Shareholders do not carry on a trade, profession or business in Hong Kong or the Shares in a Sub-Fund are held by the Shareholders as “capital assets” for Hong Kong profits tax purposes, gains arising from the sale or disposal or redemption of the Shares in the Sub-Fund should be capital in nature and not be taxable. Ascertaining the classification of a gain as revenue or capital will depend on the particular facts and circumstances of the Shareholders. For Shareholders 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 with, subject to certain conditions being met, the first HK\$2 million of assessable profits to be charged at 8.25% for corporations, and 7.5% for unincorporated businesses) if the gains in question arise in or are derived from such trade, profession or business and sourced in Hong Kong. Shareholders should take advice from their own professional advisers as to their particular tax position.

Distributions by the Company or a Sub-Fund should generally not be subject to Hong Kong profits tax in the hands of the Shareholders (whether by way of withholding or otherwise) according to the current law and practice of the Inland Revenue Department of Hong Kong (as at the date of this Prospectus).

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

Stamp Duty

The transfer of a Share of a Sub-Fund, as an exchange traded fund is transferred, stamp duty is waived pursuant to Schedule 8 to the Stamp Duty Ordinance.

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 comprise, among others, the model Competent Authority Agreement (“**CAA**”) and Common Reporting Standard (“**CRS**”). In addition, the 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 CAA 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 Company is required to comply with the requirements of the Ordinance, which means that the Company and/or its agents shall obtain and provide to the IRD the required information relating to Shareholders. The Ordinance requires the Company to, amongst other things, (i) register the Company as a "Reporting Financial Institution" with the IRD to the extent the Company maintains reportable financial accounts; (ii) conduct due diligence on its account holders (i.e. Shareholders) 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 Shareholders, 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 Company, and income or sale or redemption proceeds received from the Company, 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, Shareholders acknowledge that they may be required to provide additional information or documents to the Company and/or its agents in order for the Company to comply with the Ordinance. A Shareholder's information (and information on controlling persons including beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Shareholders 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 Shareholder 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-Funds.

FATCA and compliance with US withholding requirements

The US Hiring Incentives to Restore Employment Act was signed into US law in March 2010 and includes certain 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 on foreign financial institutions such as the Company and each Sub-Fund with respect to certain payments, including US source interest and dividends received. All such payments may be subject to FATCA withholding at a rate of 30%, unless the recipient of the payment satisfies certain requirements intended to enable the IRS to identify United States persons (within the meaning of the Revenue Code) ("**US persons**") with direct or indirect interests in such payment. To avoid such withholding on payments made to it, foreign financial institutions (including banks, brokers, custodians and investment funds) (an "**FFI**"), such as the Company and each Sub-Fund will be required to enter into an agreement (an "**FFI Agreement**") with the IRS to be treated as a participating FFI. Participating FFIs are required to identify all investors that are US persons and certain entities that are directly or indirectly owned by US persons and report certain information concerning such US persons to the IRS annually. Under certain circumstances, the FFI Agreement also requires a participating FFI to 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 or do not consent to FATCA reporting and disclosure to the IRS (referred to as "recalcitrant account holders") and may be required to close accounts of such account holders. Moreover, participating FFIs may also be required to deduct and withhold such payments made to investors that are themselves FFIs but are not compliant with FATCA.

FATCA withholding applies to payments of US source income, including US source dividends and interest, made after 30 June 2014. The 30% withholding may also apply to certain non-US source payments otherwise attributable to amounts that would be subject to FATCA withholding (also known as "foreign passthru

payments”) in the future. Unless an exemption applies, withholding agents (which includes participating FFIs) will generally be required to begin withholding withholdable payments made after 30 June 2014.

The United States and a number of other jurisdictions have entered into intergovernmental agreements (“IGAs”). The United States Department of the Treasury and Hong Kong have entered into an intergovernmental agreement (the “**Hong Kong IGA**”) based on the Model 2 arrangement (“**Model 2 IGA**”). The Model 2 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. Under the Hong Kong IGA, an FFI (including the Company and each Sub-Fund) will not be required to impose FATCA withholding at 30% on payments to recalcitrant account holders or close the accounts of such account holders (provided information regarding such account holders is reported to the IRS as required). Withholding may apply to withholdable payments covered by FATCA if the Company and each Sub-Fund 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 agreed IGA.

The Company has been registered with the IRS as a reporting single FFI with Global Intermediary Identification Number ZTKAU3.99999.SL.344. In order to protect Shareholders and avoid being subject to withholding under FATCA, it is the Company’s intention to endeavour to satisfy the requirements imposed under FATCA. Hence it is possible that this may require the Company and each Sub-Fund (through its agents or service providers) as far as legally permitted and, where necessary, subject to the receipt of consent of report from the Shareholders, to report information on the holdings or investment returns of any Shareholder to the IRS or the local authorities pursuant to the terms of the IGA (as the case may be), including certain Shareholders who fail to provide the information and documents required to identify their FATCA status, or who are non-FATCA compliant financial institutions or who fall within other categories specified in the FATCA provisions and regulations. As at the date of this Prospectus, all Shares are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has registered as a participating foreign financial institution.

Although the Company and each Sub-Fund will attempt to satisfy any obligations imposed by FATCA on them to avoid the imposition of FATCA withholding tax, no assurance can be given that the Company and each Sub-Fund will be able to fully satisfy these obligations. If any Sub-Fund becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Shareholders 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, the Hong Kong IGA and model IGAs, 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 Shareholders should not rely on any information set out in this section for the purposes of making any investment decision, tax decision or otherwise. All Shareholders 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, Shareholders who hold their Shares 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.

PART 2 – SPECIFIC INFORMATION RELATING TO EACH SUB-FUND

Part 2 of this Prospectus includes specific information relevant to the passively managed Sub-Funds which invest in Virtual Assets and are listed on the SEHK. It is updated from time to time by the Manager. Information relating to each Sub-Fund is set out in a separate Appendix.

The information presented in each Appendix in this Part 2 should be read in conjunction with the information presented in Part 1 of this Prospectus. Where the information in any Appendix in this Part 2 conflicts with the information presented in Part 1, the information in the relevant Appendix in the Part 2 prevails. However, it is applicable to the specific Sub-Fund of the relevant Appendix only.

Defined terms used in each of the Appendices and which are not defined in this Part 2, bear the same meanings as in Part 1 of this Prospectus. References in each Appendix to “**Sub-Fund**” refer to the relevant Sub-Fund which is the subject of that Appendix. References in each Appendix to “**Index**”, if applicable, refer to the relevant Index details of which are set out in that Appendix.

APPENDIX 1 – PANDO BITCOIN ETF

Key Information

Set out below is a summary of key information in respect of Pando Bitcoin ETF (the “**Sub-Fund**”) which should be read together with the full text of this Appendix and the Prospectus.

The Sub-Fund is a passively managed fund falling within Chapter 8.6 of the UT Code.

Investment Objective	To provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the price of bitcoin as reflected by the CME CF Bitcoin Reference Rate - Asia Pacific Variant so as to provide exposure to the value of bitcoin.
Index	CME CF Bitcoin Reference Rate - Asia Pacific Variant (i.e. the price of bitcoin quoted in USD calculated as of 4:00 p.m. (Hong Kong time))
Initial Offer Period	9:00 a.m. (Hong Kong time) on 16 July 2025 to 11:00 a.m. (Hong Kong time) for in-cash applications or 4:00 p.m. (Hong Kong time) for in-kind applications on 17 July 2025, or such other date as the Manager may determine
Initial Issue Date	17 July 2025, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD1, or such other price as the Manager may determine
Listing Date (SEHK)	Expected to be 18 July 2025
Exchange Listing	SEHK – Main Board
Stock Code	2818
Short Stock Name	PANDO BITCOIN
ISIN Number	HK0001171336
Trading Board Lot Size	100 Shares
Base Currency	USD
Trading Currency	HKD
Distribution Policy	No distribution is intended to be made.
Creation/Redemption Policy	In-Cash or In-Kind or Hybrid
Application Share Size (only by or through Participating Dealers)	Minimum 100,000 Shares (or multiples thereof) or such other number of Shares as the Manager may determine and approved by the Custodian
Dealing Deadline	For in-cash applications: 11:00 a.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the

	<p>Custodian may determine</p> <p>For in-kind applications:</p> <p>4:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine</p>
Custodian and Administrator	BOCI-Prudential Trustee Limited
Sub-Custodian (in respect of bitcoin holdings)	OSL Digital Securities Limited (which acts via its associated entity OSL Custody Services Limited)
Virtual Asset Trading Platform	OSL Exchange (operated by OSL Digital Securities Limited). Please refer to the Sub-Fund's website set out below for the latest lists of virtual asset trading platform(s).
Participating Dealer(s)^	<ul style="list-style-type: none"> - Victory Securities Company Limited - Eddid Securities and Futures Limited - Solomon JFZ (Asia) Holdings Limited - Fosun International Securities Limited - China Merchants Securities (HK) Co., Limited - Mirae Asset Securities (HK) Limited - Valuable Capital Limited <p>The list of participating dealers may change from time to time. Please refer to the Sub-Fund's website set out below for the latest list of participating dealers.</p>
Market Maker(s)^	<ul style="list-style-type: none"> - China Merchants Securities (HK) Co., Limited - Eclipse Options (HK) Limited <p>The list of market makers may change from time to time. Please refer to the Sub-Fund's website set out below for the latest list of market makers.</p>
Management Fee	<p>Up to 1.00% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 1.00% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day.</p> <p>One week's prior notice will be provided to investors if the management fee is increased up to and towards the maximum rate, and one month's prior notice will be provided to investors if the management fee is increased beyond the maximum rate.</p>
Financial Year End	<p>31 March each year</p> <p>(The first half-yearly unaudited reports and the first annual financial reports for the Sub-Fund will be for the period from the fund launch to the half year ending 30 September 2025 and the year ending 31 March 2026 respectively.)</p>
Website	www.pandofinance.com.hk (this website has not been reviewed by the SFC)

^ Please refer to the Manager's website set out above for the latest list of Participating Dealer(s) and Market Maker(s).

Investment Objective

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the price of bitcoin as reflected by the CME CF Bitcoin Reference Rate - Asia Pacific Variant (the “**Index**”) so as to provide exposure to the value of bitcoin.

Investment Strategy

In seeking to achieve its investment objective, the Sub-Fund is passively managed by directly investing up to 100% of its Net Asset Value in bitcoin through SFC-licensed virtual asset trading platform(s). Transaction and acquisition of bitcoin by the Sub-Fund will be conducted through SFC-licensed virtual asset trading platform(s). The Sub-Fund will not acquire other types of investments except that the Sub-Fund may retain a small amount of cash (up to a maximum of 3% of its Net Asset Value) to pay ongoing fees and expenses and meet redemption requests. All of the Sub-Fund’s bitcoin will be held by the Sub-Custodian.

Other Investments

The Sub-Fund will not invest in any financial derivative instruments. Currently, the Manager will not enter into borrowing, Sale and Repurchase Transactions, Reverse Repurchase Transactions, Securities Lending Transactions or other similar over-the-counter transactions. The Manager will seek the prior approval of the SFC (if required), and provide at least one month’s prior notice to Shareholders (if required) before the Manager engages in any such investments or transactions. There is no leverage exposure to bitcoin at the Sub-Fund level.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

What is bitcoin?

Bitcoin is a virtual asset which was released in 2009. Bitcoin serves as the unit of account on an open-source, decentralised, peer-to-peer computer network (“**Bitcoin Network**”). No single entity owns or operates the Bitcoin Network. Bitcoin is not a legal tender and is not backed by any authorities, government or corporations. The value of bitcoin is determined, in part, by the supply of, and demand for, bitcoin in the global markets for trading bitcoin, market expectations for the adoption of bitcoin as a decentralised store of value and medium of exchange, the number of merchants and/or institutions that accept bitcoin as a form of payment and the volume of private end-user-to-end-user transactions. As of the date of this Appendix, the adoption of using bitcoin for these purposes has been limited.

The ownership of bitcoin is not determined by a centralised entity such as central government, but rather by a decentralised group of participants who run open source software program on the Bitcoin Network, and they follow sets of protocol (commonly referred to as “**Bitcoin Protocol**”) to operate in terms of transaction validation and recording. The identification of bitcoin ownership is protected by public key cryptography.

Bitcoin is maintained on a digital ledger of transactions commonly known as a “blockchain”, which contains a record and history for each bitcoin transaction. Each block in the chain contains a number of transactions, and every time a new transaction occurs on the blockchain, a record of that transaction is added to every participant’s ledger. The blocks are securely linked together using cryptography.

New bitcoin is created by “mining”, which is done by miners using specialised computer software and hardware to solve extremely complicated mathematical problem presented by the Bitcoin Protocols and that verify transactions in bitcoin. A new block of transaction is added to the bitcoin blockchain by the first miner who successfully solved the problem, and such new block will then be confirmed through acceptance by a majority of users who maintain versions of the blockchain on their individual computers. When a bitcoin is successfully mined, the miner receives a predetermined amount of bitcoin as a reward.

The value of bitcoin is not backed by any regulated entities but determined by the limited supply, market demand and availability. There are limitations on both the total amount of bitcoin that will be produced and the rate at which it is released into the network. By design, the supply of bitcoin is limited to 21 million bitcoins. As of the

date of this Appendix, there are approximately 19 million bitcoins in circulation. As such, the total and available supply of bitcoin may impact the price of bitcoin.

As bitcoin is an open-source project and has no central authority, any developer may review, propose changes to and develop software for the Bitcoin Protocols. When a modification is introduced, there is no guarantee that it will automatically be adopted by the other participants. If the updated Bitcoin Protocols is not compatible with the original bitcoin software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated Bitcoin Protocols, this would result in a “hard fork” of the Bitcoin Network, with one prong running the earlier version of the bitcoin software and the other running the updated bitcoin software, resulting in the existence of two versions of Bitcoin Network running in parallel and a split of the blockchain underlying the Bitcoin Network. Such a fork could adversely affect Bitcoin’s viability and adversely impact on the value of Bitcoin.

Apart from the above, bitcoin is subject to a number of unique and substantial risks, such as extreme price volatility, custody risk, fraud, cybersecurity risk and their potential association with illegal activities. Further, a substantial giveaway of bitcoin to participants in the Bitcoin Network (sometimes referred to as an “air drop”) may also result in significant and unexpected declines in the value of bitcoin. It is possible that a significant portion of bitcoin is held by a small group of investors and speculators and the speculation on the potential future appreciation in the price of bitcoin may artificially inflate or deflate the price of bitcoin. Legal or regulatory changes may also negatively impact the operation of the Bitcoin Network or restrict the use of bitcoin. The realization of any of these risks could result in a decline in the acceptance of bitcoin and consequently a reduction in the value of bitcoin. The value of bitcoin has been historically extremely volatile as illustrated in the chart below:



Source: Bloomberg as of 19 January 2025; data from 21 January 2000 to 19 January 2025

The Index

The bitcoin held by the Sub-Fund will be valued based on the CME CF Bitcoin Reference Rate - Asia Pacific Variant (Index Code: BRRAP) which is a benchmark index price for bitcoin based on materially the same methodology (except the calculation time) as the Index Provider’s bitcoin reference. It aggregates the trade flow of bitcoin trading activity across major spot bitcoin trading venues approved by the CME CF Cryptocurrency Pricing Products Oversight Committee of CF Benchmarks Ltd. (“**Constituent Exchanges**”). The committee is responsible for overseeing the scope of the reference rates by developing a code of conduct for the participants

and regularly reviewing the practice, standards and definition of the reference rate to ensure it remains relevant and retains its integrity. The Index is designed based on the IOSCO Principles for Financial Benchmarks and is a Registered Benchmark under the UK Benchmark Regulations (“**BMR**”). The Net Asset Value of the Sub-Fund will be valued by reference to the Index.

To be eligible as a Constituent Exchange, a spot bitcoin trading venue is required to meet certain eligibility criteria imposed by the Index Provider (e.g. minimum trading volume, compliance with applicable law and regulations, etc.) and make trade data and order data available through an automatic programming interface with sufficient reliability, detail and timeliness. The Constituent Exchanges of the Index may change from time to time subject to the review of the CME CF Cryptocurrency Pricing Products Oversight Committee (“Oversight Committee”) of the Index Provider. Addition and removal of Constituent Exchanges may be nominated by any member of the public, exchange or the Oversight Committee and such nomination will be reviewed by the Oversight Committee. As of 31 March 2025, the Constituent Exchanges include the following:

- Coinbase: A U.S.-based platform registered as an Money Service Business (“**MSB**”) with the United States Department of the Treasury Financial Crimes Enforcement Network (“**FinCEN**”) and licensed as a virtual currency business under the BitLicense of the New York State Department of Financial Services (“**NYDFS**”) as well as a money transmitter in various U.S. states.
- Bitstamp: A U.K.-based platform registered as an MSB with FinCEN and licensed as a virtual currency business under the NYDFS BitLicense as well as money transmitter in various U.S. states.
- itBit: a U.S.-based platform that is licensed as a virtual currency business under the NYDFS BitLicense. It is also registered as an MSB with FinCEN and is licensed as a money transmitter in various U.S. states.
- Kraken is a U.S.-based platform that is registered as an MSB with FinCEN in various U.S. states, Kraken is registered with the U.K. Financial Conduct Authority (“**FCA**”) and is authorised by the Central Bank of Ireland as a Virtual Asset Service Provider. Kraken also holds a variety of other licenses and regulatory approvals.
- Gemini is a U.S.-based platform that is licensed as a virtual currency business under the NYDFS BitLicense. It is also registered with FinCEN as an MSB and is licensed as a money transmitter in various U.S. states.
- Bullish Exchange is a Gibraltar based platform regulated by the Gibraltar Financial Services Commission as a Distributed Ledger Technology provider. It is also registered with FinCEN as an MSB in various U.S. states.
- Crypto.com is a Singapore-based platform that is licensed by FCA as an electronic money institution and is authorised by the Central Bank of Ireland as a Virtual Asset Service Provider. It is also registered as an MSB with FinCEN and is licensed as a money transmitter in various U.S. states.
- LMAX Digital: A Gibraltar based platform regulated by the Gibraltar Financial Services Commission as a Distributed Ledger Technology provider for execution and custody services. LMAX Digital does not hold a BitLicense and is part of LMAX Group, a U.K.-based operator of a FCA regulated Multilateral Trading Facility and Broker-Dealer.

The administrator of the Index is CF Benchmarks Ltd. (the “**Index Provider**”) a UK incorporated company, authorised and regulated by the Financial Conduct Authority of the UK as a Benchmark Administrator, under UK BMR. The Manager and its connected persons are independent of the Index Provider.

The Index serves as a once-a-day benchmark rate of the U.S. dollar price of bitcoin (USD/BTC), calculated as of 4:00 p.m. (Hong Kong time). The Index aggregates the trade flow of all Constituent Exchanges, during an observation window between 3:00 p.m. and 4:00 p.m. (Hong Kong time) into the U.S. dollar price of one bitcoin at 4:00 p.m. (Hong Kong time).

Specifically, the Index is calculated based on the “Relevant Transactions” (as defined below) of all Constituent

Exchanges as follows:

- All Relevant Transactions are added to a joint list, recording the time of execution, and trade price for each transaction.
- The list is partitioned by timestamp into 12 equally-sized time intervals of 5 minute length.
- For each partition separately, the volume-weighted median trade price is calculated from the trade prices and sizes of all Relevant Transactions, i.e., across all Constituent Exchanges. A volume-weighted median differs from a standard median in that a weighting factor, in this case trade size, is factored into the calculation.
- The CME CF Bitcoin Reference Rate - Asia Pacific Variant is then determined by the equally-weighted average of the volume medians of all partitions.

A “**Relevant Transaction**” is any bitcoin versus USD spot trade that occurs during the observation window between 3:00 p.m. and 4:00 p.m. (Hong Kong time) on a Constituent Exchange in the spot bitcoin-USD pair that is reported and disseminated by a Constituent Exchange through its publicly available application programming interface and observed by the Index Provider.

The Index was launched on 11 September 2023.

You can obtain the most updated list of Constituent Exchanges, the last closing index level and additional information of the Index including important news from the website of the Index Provider and index methodology at <https://www.cfbenchmarks.com/data/indices/BRRAP> (this website has not been reviewed by the SFC).

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As of the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified above. Such information may change from time to time and details of the changes will appear on that website.

All copyright in the Index values vest in the Index Provider which will apply all necessary means to ensure the accuracy of the Index. However, the Index Provider 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.

The initial term of the licence of the Index commenced on 14 February 2025 and should continue until 13 February 2026 on which date the licence should be renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of three months prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

How will the Sub-Fund’s bitcoin be held?

The Custodian has appointed OSL Digital Securities Limited (which acts via its associated entity OSL Custody Services Limited) (the “**Sub-Custodian**”) to take custody of the bitcoin holdings of the Sub-Fund. The Custodian has obtained consent from the Hong Kong Monetary Authority to take custody of the Virtual Assets of the Sub-Fund.

OSL Digital Securities Limited is a company incorporated in Hong Kong and licensed with the SFC to carry on Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities with CE number BPJ213. OSL Digital Securities Limited is a wholly owned subsidiary of OSL Group Limited (formerly known as BC Technology Group Limited), providing prime brokerage, custody, exchange and Software as a Service (SaaS) services.

As the operator of a Virtual Asset Trading Platform, OSL Digital Securities Limited is subject to certain licensing conditions imposed by the SFC, including that it must comply with the “Terms and Conditions for Virtual Asset

Trading Platform Operators” and certain provisions of the Guidelines for Virtual Asset Trading Platform Operators, each issued by the SFC and as amended from time to time, which impose requirements on key areas such as custody of client assets, know-your-client, anti-money laundering/counter-financing of terrorism, prevention of market manipulation, admission of virtual assets for trading, cybersecurity and risk management.

OSL Digital Securities Limited holds Virtual Assets for a Sub-Fund through its associated entity, OSL Custody Services Limited (the “**Associated Entity**”). The Associated Entity (i) is an “associated entity” (as defined under Section 165 of the SFO) of OSL Digital Securities Limited, (ii) is incorporated in Hong Kong, (iii) holds a “trust or company service provider licence” under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) of Hong Kong, and (iv) is a wholly owned subsidiary of OSL Digital Securities Limited. The Associated Entity holds the Virtual Assets and fiat currency in the account for the relevant Sub-Fund as trustee pursuant to an express trust arrangement entered into between OSL Digital Securities Limited and the Associated Entity.

The Sub-Custodian is the operator of OSL Exchange, an SFC-licensed virtual asset trading platform and will ensure that:

- the Sub-Fund’s bitcoin holdings are segregated from its own assets and the assets it holds for its other clients;
- at least 98% of the Sub-Fund’s bitcoin holdings are stored in the cold wallet and the amount and duration of bitcoin holdings stored in the hot wallet should be minimised as much as possible, save for meeting the needs of subscriptions and redemptions; and
- the seeds and private keys are (i) securely stored in Hong Kong; (ii) tightly restricted to authorised personnel; (iii) sufficiently resistant to speculation (eg, through generation in a non-deterministic manner) or collusion (through measures such as multi-signature and key sharding); and (iv) properly backed up to mitigate any single point of failure.

The Custodian will procure for compensation arrangement with the Sub-Custodian that is commensurate with its services and is in line with the applicable laws and regulations.

The Sub-Custodian has in place a compensation arrangement to cover potential loss of client Virtual Assets through third-party insurance or other permitted means. The Custodian shall ensure the Sub-Custodian will have in place a compensation or insurance arrangement that covers potential loss of 50% of its clients’ Virtual Assets in cold storage and 100% of its clients’ Virtual Assets in hot and other storages. However, such compensation arrangement is shared among all clients of the Sub-Custodian and is not specific to the Sub-Fund. There is no assurance that such compensation arrangement is adequate to protect the Virtual Assets of the Sub-Fund from all possible losses. The Manager and the Sub-Fund do not maintain any insurance for the Sub-Fund’s bitcoin holdings.

Clients’ Virtual Assets held by the Sub-Custodian (which acts via its Associated Entity) in Hong Kong in cold wallets are covered by a specie insurance, which is underwritten by independent third party underwriters operating within the Lloyds of London market. The specie insurance covers the loss or theft of digital asset private keys of the wallets in which client assets are held. The current specie programme offers the Sub-Custodian coverage of up to USD1 billion. The insurance coverage excludes, among other things, loss from any trading and loss from network failure of a cryptocurrency’s cryptographic protocol (i.e. a protocol which governs secure communication and exchange of information over a network using cryptographic methods).

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 16 July 2025 and ends at 11:00 a.m. (Hong Kong time) for in-cash applications or 4:00 p.m. (Hong Kong time) for in-kind applications on 17 July 2025, or such other date as the Manager may determine.

The Listing Date is expected to be on 18 July 2025.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Shares either on their own account or for their clients, in accordance with the Instrument and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Shares to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Shares for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Shares on their behalf.

After Listing

“**After Listing**” commences on the Listing Date.

Dealings in the Shares on the SEHK will commence on the Listing Date, which is expected to be on 18 July 2025.

All investors may buy and sell Shares in the secondary market on the SEHK. Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Shares in the primary market in Application Share size, from 9:00 a.m. (Hong Kong time) to 11:00 a.m. (Hong Kong time) for in-cash applications or 4:00 p.m. (Hong Kong time) for in-kind applications on each Dealing Day.

The following table summarises all key events and the Manager’s expected timetable (all references to times are to Hong Kong time):

<p><i>Initial Offer Period commences</i></p> <ul style="list-style-type: none"> • Participating Dealers may apply for creation for themselves or for their clients in Application Share size • Latest time for Creation Applications by Participating Dealers for Shares to be available for trading on the Listing Date 	<ul style="list-style-type: none"> • 9:00 a.m. (Hong Kong time) on 16 July 2025 • 11:00 a.m. (Hong Kong time) for in-cash applications or 4:00 p.m. (Hong Kong time) for in-kind applications on 17 July 2025
<p><i>After listing (period commences on the Listing Date)</i></p> <ul style="list-style-type: none"> • All investors may start trading Shares on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Share size 	<ul style="list-style-type: none"> • Commence at 9:30 a.m. (Hong Kong time) on 16 July 2025 • 9:00 a.m. (Hong Kong time) to 11:00 a.m. (Hong Kong time) for in-cash applications or 4:00 p.m. (Hong Kong time) for in-kind applications on each Dealing Day

Exchange Listing and Trading (Secondary Market)

The Listing Committee of the SEHK has granted its approval for the listing of, and permission to deal in the Shares traded in HKD.

Shares are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Shares on one or more other stock exchanges. Investors' attention is drawn to the section entitled "**EXCHANGE LISTING AND TRADING (SECONDARY MARKET)**" in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Shares traded in HKD are expected to begin on 18 July 2025.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Shares on the SEHK until dealings begin on the SEHK.

Distribution Policy

The Manager does not intend to pay distributions in respect of the Sub-Fund (or any class of Shares thereof). Net income and net realised capital gains of investments will be reflected in the Net Asset Value of the Sub-Fund.

Dealing Day, Business Day, and Valuation Point

The "**Business Day**" of the Sub-Fund has the same meaning as set out in Part 1 of this Prospectus.

The "**Dealing Day**" of the Sub-Fund means each Business Day during the continuance of the Sub-Fund, and/or such other day or days as the Manager may from time to time determine.

The "**Valuation Point**" of the Sub-Fund has the same meaning as set out in Part 1 of this Prospectus.

Fees and Expenses

Management Fee

The Sub-Fund pays a Management Fee as a single flat fee, currently at 1.00% per annum of the Net Asset Value of the Sub-Fund.

The Management Fee may be increased up to the maximum rate of 1.00% per annum of the Net Asset Value of the Sub-Fund (the "**Maximum Management Fee Rate**"), on one week's notice to Shareholders.

In the event that such fee is to be increased beyond the Maximum Management Fee Rate, such increase will be subject to the SFC's approval and not less than one month's prior notice to Shareholders.

Custodian Fee, Administrator Fee and Registrar Fee

The Custodian and the Administrator are entitled to receive out of the Sub-Fund a fee of up to 1% per annum of the Net Asset Value of the Sub-Fund (the "**Custodian Fee and Administrator Fee**"), subject to a minimum of USD5,000 per month. The Custodian Fee and Administrator Fee will be accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

The Custodian Fee and Administrator Fee may be increased by agreement with the Manager up to the maximum on giving one month's notice to Shareholders.

The Registrar is entitled to receive fees of US\$6,000 per annum per class of Shares of a Sub-Fund.

The Custodian, Administrator, Registrar and Sub-Custodian shall also be entitled to receive various transaction, processing, valuation fees and other applicable fees pursuant to the provisions of the Instrument and/or as agreed with the Manager from time to time, and entitled to be reimbursed out of the assets of the Sub-Fund all reasonable out-of-pocket expenses incurred by it in the performance of its duties as the Custodian, Administrator, Registrar and Sub-Custodian.

The fees of the Sub-Custodian are included in the Custodian Fee and Administrator Fee.

Transaction Fee Payable to the Administrator

The Participating Dealers pay USD350 per Application to the Custodian or the Administrator for the benefit of the Administrator. A Participating Dealer may pass on to the relevant investor such transaction fee payable to the Administrator.

Brokerage Rates

The Sub-Fund shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates. Such institutional market rates vary with the investment and the market on which the investment is traded.

Establishment Costs

Please refer to the sub-section “**Establishment Costs**” under the section of “**FEES AND CHARGES**” in Part 1 of this Prospectus on the establishment costs of the Sub-Fund.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Bitcoin Risk

The Sub-Fund is exposed to the risks of bitcoin through its direct investment in bitcoin. bitcoin is a new and highly speculative investment. Investments linked to bitcoin can be highly volatile compared to investments in traditional securities and the Sub-Fund may experience sudden and large losses. An investor should be prepared that the investment value may be lost suddenly and without warning.

The markets for bitcoin may become illiquid and their prices may fluctuate widely due to numerous events or factors that are potentially difficult to evaluate and unforeseeable, including the following:

New Innovation Risk

Bitcoin is a relatively new innovation and the market for bitcoin is subject to rapid price swings, changes and uncertainty. It is not backed by any authorities, government or corporations. The Bitcoin Network was launched in January 2009 and platform trading in bitcoin began in 2010, each of which limits a potential investor’s ability to evaluate an investment in the Sub-Fund. Continued and further development of the Bitcoin Network and the acceptance and use of bitcoin are subject to a variety of factors that are difficult to predict or evaluate. Any cessation or reversal of such development of the Bitcoin Network or the acceptance of bitcoin may adversely affect the price of bitcoin, and thus the Sub-Fund’s investment in bitcoin.

Unforeseeable Risks

Given the rapidly evolving nature of bitcoin, including advancements in the underlying technology, market disruptions and resulting governmental interventions that are unforeseeable, an investor may be exposed to additional risks which cannot currently be predicted.

Speculative Risk

Bitcoin is highly speculative as it has limited track record and lack of intrinsic value. Its value is primarily driven by supply and demand dynamics within the bitcoin market and does not generate cash flows.

Extreme Price Volatility Risk

Investing in bitcoin and related products is highly volatile compared to investments in traditional securities and their price movements are difficult to predict. The prices of bitcoin have historically been extremely volatile. For

example, the price of bitcoin dropped 77% during the period from 10 November 2021 to 9 November 2022. Also, the value of bitcoin could decline significantly in a short period of time and without warning, including to zero. For example, in March 2020, the biggest single-day drop of the price of bitcoin was 39% (this is based on daily prices of bitcoin against USD on Bloomberg at GMT 00:00). The value of the Sub-Fund's investments in bitcoin and therefore the value of the Sub-Fund could decline significantly and without warning, including to zero, within one day.

Risk relating to the Limited History of Bitcoin

Bitcoin and the Bitcoin Network have a limited history, therefore, it is unclear how all elements of bitcoin will unfold over time, specifically with regard to governance between miners, developers and users, as well as the long-term security model as the mining reward of bitcoin decreases over time. Insufficient software development or any other unforeseen challenges that the bitcoin community is not able to resolve could have an adverse impact on bitcoin price and thus the Sub-Fund's investment in bitcoin.

Cybersecurity, Fraud, Market Manipulation and Security Failure Risk

Bitcoin may be subject to the risk of fraud, theft, manipulation or security failures, operational or other problems that impact bitcoin trading venues. In particular, the Bitcoin Network and entities that hold bitcoin in custody or facilitate the transfers or trading of bitcoin are vulnerable to various cyber attacks. Malicious actors may also exploit flaws in the code or structure in the Bitcoin Network that will allow them to, among other things, steal bitcoin held by others, control the blockchain, steal personally identifying information, or issue significant amounts of bitcoin in contravention of the protocols. If parties acting in concert were to gain substantial control of the Bitcoin Network, they would have the ability to manipulate transactions, halt payments and fraudulently obtain bitcoin. These events may reduce user confidence in bitcoin, the Bitcoin Network and the fairness of bitcoin trading venues which in turn may have a negative impact on the price of bitcoin. The occurrence of any of the above may have negative impact on the price of bitcoin and the value of the Sub-Fund's investments.

Concentration of Ownership Risk

A significant portion of bitcoin is held by a small number of holders sometimes referred to as "whales", who may have the ability to manipulate the price of bitcoin. As a result, large sales by such holders could have an adverse effect of the market price of bitcoin.

Changes in Acceptance of Bitcoin

As a new asset and technological innovation, the bitcoin industry is subject to a high degree of uncertainty. The adoption of bitcoin will require growth in its usage for various applications that include retail and commercial payments, cross-border and remittance transactions, speculative investment and technical applications. As such, the value of bitcoin is subject to risks related to its usage, and there is no assurance that bitcoin usage will continue to grow over the long-term to support its value. Reduction or slowdown in the acceptance and/or prevalence of bitcoin may result in lack of liquidity, increased volatility or a significant reduction in the price of bitcoin and the value of the Sub-Fund's investments.

Cybersecurity Risk

Security breaches, cyber-attacks, computer malware and computer hacking attacks have been a prevalent concern in relation to digital assets. Multiple thefts of bitcoin and other digital assets from other holders have occurred in the past. Because of the pseudonymous nature of the bitcoin blockchain, thefts can be difficult to trace, which may make bitcoin a particularly attractive target for theft. Cyber security failures or breaches of one or more of the Sub-Fund's service providers (including but not limited to, the Index Provider, the Registrar, the distributor, the Administrator, or the Custodian/Sub-Custodian) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. Additionally, access to the Sub-Fund's bitcoin could be restricted by natural events (such as an earthquake or flood) or human actions (such as a terrorist attack).

Bitcoin is subject to cybersecurity risks including the potential exploitation of flaws in its code or structure by

malicious actors which enable them for examples, to control the bitcoin blockchain, steal bitcoin and personal information or issue significant amounts of bitcoin in contravention of the Bitcoin Protocols. These may derogate the confidence on use of bitcoin and adversely impact on the price and liquidity of bitcoin and therefore the value of an investment in the Sub-Fund.

Further, as the Bitcoin Network's functionality relies on the Internet, the functionality of the Bitcoin Network may be impeded if there is a significant disruption of Internet connectivity affecting large numbers of users or geographic areas or there are technical disruptions or regulatory limitations that affect Internet access. These in turn may adversely impact on the price of bitcoin and the value of the Sub-Fund's investments.

If the Sub-Fund's holdings of bitcoin are lost, stolen or destroyed under circumstances rendering a party liable to the Sub-Fund, the responsible party may not have the financial resources sufficient to satisfy the Sub-Fund's claim. For example, as to a particular event of loss, the only source of recovery for the Sub-Fund may be limited to the relevant custodian or, to the extent identifiable, other responsible third parties (for example, a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Sub-Fund. Similarly, as noted below, the Custodian/Sub-Custodian have limited liability to the Sub-Fund, which could adversely affect the Sub-Fund's ability to seek recovery from them, even when the Custodian's actions or failure to act are the cause of the Sub-Fund's loss. It may not be possible, either because of a lack of available policies or because of prohibitive cost, for the Sub-Fund to obtain insurance that would cover losses of the Sub-Fund's bitcoin. If an uninsured loss occurs or a loss exceeds policy limits, the Sub-Fund could lose all of its assets.

Regulatory Risk

The regulation on bitcoin, digital assets and related products and services continues to evolve and increase. The regulatory landscape for different jurisdictions at different points in time may be inconsistent or even conflicting. This may impede the growth of the bitcoin economy and have an adverse effect on consumer adoption of bitcoin. Regulation of bitcoin continues to evolve, the ultimate impact of which remains unclear and may adversely affect, among other things, the availability, value or performance of bitcoin. To the extent that future regulatory actions or policies limit or restrict bitcoin usage, bitcoin trading or the ability to convert bitcoin to fiat currencies, the demand for and value of bitcoin may be reduced significantly. Changes to existing regulation (e.g., regarding dealing in virtual asset-related products) may also impact the ability of the Sub-Fund to achieve its investment objective or operate as planned.

These events may reduce user confidence in bitcoin, the Bitcoin Network and the fairness of bitcoin trading venues which in turn may have a negative impact on the price of bitcoin and thus the value of the Sub-Fund.

Fork Risk

As the Bitcoin Network is an open-source project, the developers may suggest changes to the bitcoin software from time to time. The open source nature of the Bitcoin Protocol permits any developer to review the underlying code and suggest changes. If some users and miners adopt a change while others do not and that change is not compatible with the existing software, a fork occurs. Several forks have already occurred in the Bitcoin Network resulting in the creation of new, separate digital assets. The fork which will be considered to be bitcoin for the purposes of the Index is determined by Index Provider.

If the updated bitcoin software is not compatible with the original bitcoin software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated bitcoin software, this would result in a "hard fork" of the Bitcoin Network, with one prong running the earlier version of the bitcoin software and the other running the updated bitcoin software, resulting in the existence of two versions of Bitcoin Network running in parallel and a split of the blockchain underlying the Bitcoin Network. The occurrence of such "fork" or similar events may result in an adverse impact on the price and liquidity of bitcoin and the value of the Sub-Fund's investments.

If bitcoin were to fork into two digital assets, the Sub-Fund may hold, in addition to its existing bitcoin balance, a right to claim an equivalent amount of the new "forked" asset following the "hard fork". However, the Index does not track forks involving bitcoin. The Sub-Fund may receive or claim rights to any digital assets created by a fork of the Bitcoin Network that are supported by the Custodian and for which the Sub-Fund's trading

counterparties support a secondary market. In such circumstances, the Manager will, acting in the best interest of investors, use its sole discretion to determine which network should be considered the appropriate network for the Sub-Fund and keep investors informed. There is no guarantee that the Manager will choose the digital asset that is ultimately the most valuable fork, and their decision may adversely affect the value of the Sub-Fund as a result.

Air Drop Risk

In an air drop, the promoters of a new digital asset announce to holders of another digital asset that they will be entitled to claim a certain amount of the new digital asset for free, based on the fact that they hold such other digital asset. Air drops are not included in the Index under its current methodology. The Index does not track air drops involving bitcoin. Accordingly, the Sub-Fund will disclaim, and the Sub-Fund will irrevocably abandon, all rights to digital assets air dropped to holders of bitcoin. By investing in the Sub-Fund rather than directly in bitcoin, you forgo potential economic benefits associated with air drops. Any change to the Sub-Fund's policy on air dropped assets would require the Sub-Fund to seek and obtain certain regulatory approvals.

A substantial giveaway of bitcoin to participants in the Bitcoin Network (sometimes referred to as an "air drop") may result in a significant and unexpected declines in the value of bitcoin and the value of the Sub-Fund's investments.

Transaction Risk

The Bitcoin Network faces scaling challenges and efforts to increase the volume of transactions may not be successful. Many digital asset networks, including the Bitcoin Network, face significant scaling challenges due to the fact that public blockchains generally face a trade-off between security and scalability. One means through which public blockchains achieve security is decentralization, which means that transactions are validated through a dispersed network of nodes running without a central authority. Although this structure makes it difficult for a bad actor to manipulate the network, it also makes validating transactions and the state of the blockchain a slow and resource-intensive process. As a result, a digital asset network may be limited in the number of transactions it can process by the capabilities of each single fully participating node. Many developers are actively researching and testing scalability solutions for public blockchains that do not necessarily result in lower levels of security or decentralization, such as off-chain payment channels and sharding. Off-chain payment channels would allow parties to transact without requiring the full processing power of a blockchain. Sharding can increase the scalability of a database, such as a blockchain, by splitting the data processing responsibility among many nodes, allowing for parallel processing and validating of transactions. There is no guarantee that any of the mechanisms in place or being explored for increasing the scale of settlement of transactions in bitcoin will be effective, or how long these mechanisms will take to become effective, which could adversely impact an investment in the Shares.

Contagion Risk

The operation of Virtual Assets including bitcoin depends upon the centralised elements of the crypto ecosystem (for example, wallets and trading platforms) which is exposed to concentration risks given its concentrated reliance on a few entities where certain entities handle more than half of the trading volumes. Therefore, the collapse of any major players in the crypto ecosystem may have contagious adverse effects on the values of Virtual Assets including bitcoin and the value of the Sub-Fund's investments.

Over the past several years, a number of major players such as less regulated virtual assets trading venues have experienced, or may in the future, collapse, stop operating or temporarily or permanently shut down due to issues such as fraud, failure, security breaches, cybersecurity issues or manipulation. This may adversely affect the value of bitcoin and thus the value of the Sub-Fund.

Control and Potential Manipulation of Bitcoin Network Risk

Bitcoin Network is vulnerable to malicious attack and malicious actor would be able to gain full control of the network and the ability to manipulate the blockchain. If an entity gains control of over 50% of the computing power that is being used to mine and process in the Bitcoin Network (hash rate) the entity could use its majority share to double spend bitcoin. Essentially, the entity would send bitcoin to one recipient, which is confirmed in

the existing blockchain, while also creating a shadow blockchain that sends that same bitcoin to another entity under its control. After a period of time, the entity will release its hidden blockchain and reverse previously confirmed transactions, and due to the way mining works, that new blockchain will become the record of truth. This would significantly erode trust in the Bitcoin Network to store value and serve as a means of exchange which may significantly decrease the value of the bitcoin and in turn the Net Asset Value of the Sub-Fund.

Illicit use of Bitcoin

Bitcoin can be used to purchase illegal goods, fund illicit activities or launder money. Negative developments of bitcoin may affect the general outlook on the industry as a whole, trigger governmental intervention/restrictions/regulations, and may have adverse effect on the Sub-Fund's investments.

Halving Risk

The supply of new bitcoin is mathematically controlled and the number of bitcoin grows at a limited rate pursuant to a pre-set schedule. The number of bitcoin awarded for solving a new block is automatically cut in half after every 210,000 blocks are added to the Bitcoin Network, which occurs roughly every 4 years. The prior reward halving event occurred in April 2024 when the block reward reduced from 6.25 to 3.125 bitcoin. The reduction in mining rewards of bitcoin could be inadequate to incentivise miners to continue to perform mining activities, thereby jeopardizing the security of the Bitcoin Network, which could harm the value of the Sub-Fund's investments.

Legal Uncertainty Risk

Bitcoin may or may not be considered as "property" under the law, and such legal uncertainty may affect the nature and enforceability of the Sub-Fund's interest in bitcoin.

Risks associated with Virtual Asset Trading Platforms

The virtual asset trading platforms that the Sub-Fund may acquire and dispose of bitcoin are still developing. The bitcoin traded on these virtual asset trading platforms may be subject to lower liquidity compared to other spot bitcoin trading venue. As such, there may be a delay in the Sub-Fund's ability to acquire or dispose of its investments from these virtual asset trading platforms. The bid and offer spreads of the price of bitcoin on these virtual asset trading platforms may be large and the Sub-Fund may incur significant trading costs.

In the event that the virtual asset trading platform's licence from the SFC is being revoked/terminated or otherwise invalidated, the Sub-Fund may be prohibited from conducting transactions and acquisitions of bitcoin.

Risk relating to Difference between Executable Price of Bitcoin on Virtual Asset Trading Platforms and Valuation Price for Subscription and Redemption The executable price of bitcoin on the virtual asset trading platforms may not be the same as the traded prices of bitcoin on the Constituent Exchanges used by the Index for valuation of the Sub-Fund. There could be significant difference between executable price of bitcoin on these virtual asset trading platforms and the prices of bitcoin used in calculating the subscription/redemption amount in case of subscription/redemption in cash (even though anti-dilution measures are in place). As such, depending on the circumstances, this may impact Participating Dealers' and Market Makers' ability to conduct effective arbitrage and provide liquidity for the Sub-Fund, which may lead to higher premium or discount to Net Asset Value and/or higher bid-ask spread of the Sub-Fund in secondary market. This may also result in higher tracking difference.

Custody Risk

Ownership and rights to bitcoin depend on securely storing and knowing the private key. If the private key is lost without a backup, access to the corresponding bitcoin address is lost as well, with no possibility of restoration by the Bitcoin Network.

While the Manager has conducted due diligence on the Sub-Custodian and believes that there are security procedures in place for the Sub-Fund by the Sub-Custodian, the Manager does not control the Sub-Custodian' or the virtual asset trading platforms' operations or their implementation of such security procedures and there can be no assurance that such security procedures will actually work as designed or prove to be successful in safeguarding the Sub-Fund's assets against all possible sources of theft, loss or damage.

While the Sub-Custodian will store most of the Sub-Fund's bitcoin holdings in the cold wallet (i.e. where the private keys to bitcoin are kept in an offline environment), the Sub-Fund's bitcoin may be temporarily held online in the hot wallet (i.e. where the private keys to bitcoin are kept in an online environment) for meeting the needs

of subscriptions and redemptions, which is more susceptible to cyber-attacks. Any insurance coverage obtained by or for the Custodian/Sub-Custodian is solely for the benefit of the Custodian/Sub-Custodian and does not guarantee or insure the Sub-Fund in any way. There is no third-party insurance held on behalf of the bitcoin accounts.

The Sub-Custodian may hold the Sub-Fund's bitcoin holdings in an omnibus client account instead of maintaining a separate segregated account for the Sub-Fund. As a result, the Sub-Fund's bitcoin holdings may be commingled with the bitcoin of other clients of the Sub-Custodian. In the event of loss of bitcoin held in the omnibus account due to theft, cyberattacks, loss or damage, the Sub-Fund may need to share the shortfall together with other clients whose bitcoin holdings are held in the omnibus account on a pro rata basis.

The Sub-Fund itself does not insure its holdings in bitcoin. While the Sub-Custodian are required by the applicable laws and regulations to have in place a compensation arrangement to cover potential loss of client Virtual Assets through third-party insurance or other permitted means, such compensation arrangement is shared among all clients of the Sub-Custodian and is not specific to the Sub-Fund. There is no assurance that such compensation arrangement is adequate to protect the Virtual Assets of the Sub-Fund from all possible losses. Where the compensation arrangements of the Sub-Custodian are not sufficient to cover the loss of Virtual Assets of the Sub-Fund, neither the Manager nor the Sub-Fund will be responsible for the shortfall.

Risks associated with Difficulties in Verifying Ownership of Bitcoin

Given that bitcoin is pseudonymous in nature, it is difficult to verify the ownership of bitcoin. To the extent the Sub-Fund is subject to fraud, theft and market manipulation or system failure, it will be difficult for the Sub-Fund to trace the Sub-Fund's bitcoin and have a claim against the bad actors.

New Product Risk

The Sub-Fund is a passive ETF investing directly in bitcoin through SFC-licensed virtual asset trading platforms. The novelty of such an ETF and the fact that the Sub-Fund is one of the first few spot Virtual Asset ETFs in Hong Kong makes the Sub-Fund potentially riskier than traditional ETFs investing in equity or debt securities.

Given the novelty of the underlying assets of the Sub-Fund, there is no guarantee that the service providers (such as Participating Dealers and Market Makers) can perform their duties effectively.

Index Risk

The Index is a new index which was launched on 11 September 2023 and has limited operating history. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history. The Index has similar index methodology as CME CF Bitcoin Reference Rate which was launched on 14 November 2016, except for the index calculation time. The Sub-Fund is also subject to the risk of system failures or errors of the Index Provider. If the computers or other facilities of the Index Provider, data providers and/or relevant Constituent Exchanges malfunction for any reason, calculation and dissemination of the Index may be delayed. Errors in the Index data, the Index computations and/or construction may occur from time to time and may not be identified and/or corrected for a period of time or at all, which may have an adverse impact on the Sub-Fund and its investors. Any of the foregoing may lead to the errors in the Index, which may lead to a different investment outcome for the Sub-Fund and its investors than would have been the case had such events not occurred.

Concentration Risk

The exposure of the Sub-Fund is concentrated in bitcoin via direct investment in bitcoin. Unlike other funds that may invest in diversified assets, the Sub-Fund's investment strategy is concentrated in a single asset within a single asset class. This may result in higher concentration risk and the Sub-Fund's value may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting bitcoin.

Regulatory Change to the Sub-Fund Risk

The regulations applicable to the Sub-Fund and its underlying investments may be subject to rapid change by government and judicial action. The effect of any such regulatory changes on the Sub-Fund is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Sub-Fund and what can be done, if anything, to try and limit such impact.

Governments and regulators may intervene in the financial markets and bitcoin related markets, such as by the imposition of trading restrictions and/or position limits. This may affect the operation and market making activities of the Sub-Fund, and may create negative market sentiment which may in turn affect the performance of the Sub-Fund.

Trading Hours Differences Risk

As bitcoin is trading 24 hours but trading/dealing in the Shares are not available 24 hours, the value of bitcoin in the Sub-Fund's portfolio may change on days or at times when investors will not be able to purchase or sell the Sub-Fund's Shares.

Risk relating to Audits of the Sub-Fund

Audits of the Sub-Fund that invests in Virtual Assets are distinct from those conducted for traditional investment funds. It is imperative to implement specialized procedures to ensure that investments and transactions are accurately recorded and valued, due to the significant differences in the independent verification of Virtual Asset ownership (such as confirming ownership of a balance on a Virtual Asset Trading Platform) compared to conventional confirmations with a securities broker or bank account. The Manager, Custodian, Administrator, and/or Registrar must establish robust processes to facilitate the auditor's access to the Sub-Fund's transaction history, thereby enabling the accurate preparation of audited financial statements. Any deficiencies in these processes may result in delays or impediments during the audit process. Additionally, the inherent complexity of Virtual Assets may pose challenges in the preparation of the Sub-Fund's audited financials.

Appendix dated [25 November] 2025

APPENDIX 2 – PANDO ETHEREUM ETF

Key Information

Set out below is a summary of key information in respect of Pando Ethereum ETF (the “**Sub-Fund**”) which should be read together with the full text of this Appendix and the Prospectus.

The Sub-Fund is a passively managed fund falling within Chapter 8.6 of the UT Code.

Investment Objective	To provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the price of ether as reflected by the CME CF Ether-Dollar Reference Rate - Asia Pacific Variant so as to provide exposure to the value of ether.
Index	CME CF Ether-Dollar Reference Rate - Asia Pacific Variant (i.e. the price of ether quoted in USD calculated as of 4:00 p.m. (Hong Kong time))
Initial Offer Period	9:00 a.m. (Hong Kong time) on [25 November 2025] to 11:00 a.m. (Hong Kong time) for in-cash applications or 4:00 p.m. (Hong Kong time) for in-kind applications on [2 December 2025], or such other date as the Manager may determine
Initial Issue Date	[2 December 2025], or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD1, or such other price as the Manager may determine
Listing Date (SEHK)	Expected to be [3 December 2025]
Exchange Listing	SEHK – Main Board
Stock Code	3085
Short Stock Name	PANDO ETH
ISIN Number	HK0001226817
Trading Board Lot Size	100 Shares
Base Currency	USD
Trading Currency	HKD
Distribution Policy	No distribution is intended to be made.
Creation/Redemption Policy	In-Cash or In-Kind or Hybrid
Application Share Size (only by or through Participating Dealers)	Minimum 100,000 Shares (or multiples thereof) or such other number of Shares as the Manager may determine and approved by the Custodian
Dealing Deadline	For in-cash applications: 11:00 a.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the

	<p>Custodian may determine</p> <p>For in-kind applications:</p> <p>4:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine</p>
Custodian and Administrator	BOCI-Prudential Trustee Limited
Sub-Custodian (in respect of ethereum holdings)	OSL Digital Securities Limited (which acts via its associated entity OSL Custody Services Limited)
Virtual Asset Trading Platform	OSL Exchange (operated by OSL Digital Securities Limited). Please refer to the Sub-Fund's website set out below for the latest lists of virtual asset trading platform(s).
Participating Dealer(s)^	<p>As of [25 November 2025], the list of participating dealers include:-</p> <ul style="list-style-type: none"> - Victory Securities Company Limited - Eddid Securities and Futures Limited - Solomon JFZ (Asia) Holdings Limited - Fosun International Securities Limited - China Merchants Securities (HK) Co., Limited - Mirae Asset Securities (HK) Limited - Valuable Capital Limited <p>The lists of participating dealers may change from time to time. Please refer to the Sub-Fund's website set out below for the latest lists of participating dealers.</p>
Market Maker(s)^	<p>As of [25 November 2025], the list of market makers include:-</p> <ul style="list-style-type: none"> - China Merchants Securities (HK) Co., Limited - Eclipse Options (HK) Limited <p>The lists of market makers may change from time to time. Please refer to the Sub-Fund's website set out below for the latest lists of market makers.</p>
Management Fee	<p>Up to 0.60% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.60% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day.</p> <p>One week's prior notice will be provided to investors if the management fee is increased up to and towards the maximum rate, and one month's prior notice will be provided to investors if the management fee is increased beyond the maximum rate.</p>
Financial Year End	<p>31 March each year</p> <p>(The first half-yearly unaudited reports and the first annual financial reports for the Sub-Fund will be for the period from the fund launch to the half year ending 31 March 2026 and the year ending 30 September 2026 respectively.)</p>

Website	www.pandofinance.com.hk (this website has not been reviewed by the SFC)
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[^] Please refer to the Manager's website set out above for the latest list of Participating Dealer(s) and Market Maker(s).

Investment Objective

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the price of ether as reflected by the CME CF Ether-Dollar Reference Rate - Asia Pacific Variant (the “**Index**”) so as to provide exposure to the value of ether.

Investment Strategy

In seeking to achieve its investment objective, the Sub-Fund is passively managed by directly investing up to 100% of its Net Asset Value in ether through SFC-licensed virtual asset trading platform(s). Transaction and acquisition of ether by the Sub-Fund will be conducted through SFC-licensed virtual asset trading platform(s). The Sub-Fund will not stake any of its ethereum holdings. The Sub-Fund will not acquire other types of investments except that the Sub-Fund may retain a small amount of cash (up to a maximum of 3% of its Net Asset Value) to pay ongoing fees and expenses and meet redemption requests. All of the Sub-Fund's ether will be held by the Sub-Custodian.

Please refer to the section headed “What is Ether” below for more information regarding ether.

Other Investments

The Sub-Fund will not invest in any financial derivative instruments. Currently, the Manager will not enter into borrowing, Sale and Repurchase Transactions, Reverse Repurchase Transactions, Securities Lending Transactions or other similar over-the-counter transactions. The Manager will seek the prior approval of the SFC (if required), and provide at least one month's prior notice to Shareholders (if required) before the Manager engages in any such investments or transactions. There is no leverage exposure to ether at the Sub-Fund level.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

What is Ether?

Ether is a virtual asset which was released in 2015. Ether serves as the unit of account on an open-source, decentralised, peer-to-peer computer network (“**Ethereum Network**”). No single entity owns or operates the Ethereum Network. Ether is not a legal tender and is not backed by any authorities, government or corporations. The value of ether is determined, in part, by the supply of, and demand for, ether in the global markets for trading ether, market expectations for the adoption of ether as a decentralised store of value and medium of exchange, the number of merchants and/or institutions that accept ether as a form of payment and the volume of private end-user-to-end-user transactions. As of the date of this Appendix, the adoption of using ether for these purposes has been limited.

Before 15 September 2022, Ethereum used the proof-of-work consensus mechanism. Ethereum transitioned to a proof-of-stake chain in an upgrade known as Ethereum 2.0 on 15 September 2022. Unlike proof-of-work, in which miners expend computational resources to compete to validate transactions and are rewarded ether in proportion to the amount of computational resources expended, in proof-of-stake, miners (sometimes called validators) stake ether to compete to be randomly selected to validate transactions and are rewarded ether in proportion to the amount of ether staked. Proof-of-stake is viewed as more energy efficient and scalable than proof-of-work.

The ownership of ether is not determined by a centralised entity such as central government, but rather by a decentralised group of participants who run open source software program on the Ethereum Network, and they follow sets of protocol to operate in terms of transaction validation and recording. The identification of ether ownership is protected by public key cryptography.

Ether is maintained on a digital ledger of transactions commonly known as a “blockchain”, which contains a record and history for each ether transaction. Each block in the chain contains a number of transactions, and every time a new transaction occurs on the blockchain, a record of that transaction is added to every participant’s ledger. The blocks are securely linked together using cryptography.

The ethereum software source code allows for the creation of decentralised applications that are supported by a transaction protocol referred to as “smart contracts”. A “smart contract” is a programme that runs on the ethereum blockchain when predetermined conditions are met. It is a collection of code and data that resides at a specific address on the ethereum blockchain, which includes the cryptographic operations that verify and secure ether transactions. Although there are many alternatives, the Ethereum Network is one of the largest smart contract platforms in terms of market capitalisation, available applications and development activity. Further, smart contracts serve to underpin efforts to decentralise traditional operations in finance (“**DeFi**”). DeFi offers many opportunities for innovation and has the potential to create an open, transparent and immutable financial infrastructure.

As ethereum is an open-source project and has no central authority, any developer may review, propose changes to the ethereum software. When a modification is introduced, there is no guarantee that it will automatically be adopted by the other participants. If the updated ethereum software is not compatible with the original ethereum software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated ethereum software, this would result in a “hard fork” of the Ethereum Network, with one prong running the earlier version of the ethereum software and the other running the updated ethereum software, resulting in the existence of two versions of ethereum Network running in parallel and a split of the blockchain underlying the Ethereum Network, but with each version’s underlying asset and blockchain lacking interchangeability. On 15 September 2022, the ethereum blockchain transitioned from a proof-of-work consensus mechanism to a proof-of-stake consensus mechanism. Shortly after, a sizable community of miners banded together to create ETHPoW (or “ETHW”), a spinoff network which continues to use proof-of-work methods.

Ether is the second largest digital asset by market capitalisation behind bitcoin. Unlike bitcoin, the amount of ether that can be created is unlimited. As of the date of this Appendix, there are approximately 120 million ether in circulation. Price discovery occurs through secondary market trading on exchanges, over-the-counter trading desks and direct peer-to-peer payments. While bitcoin and ether are both digital assets, there are technical differences between the two in terms of, among others, their consensus mechanism, block time (i.e. the time for new blocks of data to be added, which determines the time required to confirm transactions), transaction throughput and supply. Also, transactions on the Ethereum Network may contain executable codes, while data affixed to Bitcoin Network transactions is only used to record transaction information which are monetary in nature. In addition to being a digital asset, the Ethereum Network is also intended for smart contracts and decentralised applications as discussed above.

Apart from the above, ether is subject to a number of unique and substantial risks, such as high price volatility, custody risk, fraud, cybersecurity risk and their potential association with illegal activities. Further, a substantial giveaway of ether to participants in the Ethereum Network (sometimes referred to as an “air drop”) may also result in significant and unexpected declines in the value of ether. It is possible that a significant portion of ether is held by a small group of investors and speculators and the speculation on the potential future appreciation in the price of ether may artificially inflate or deflate the price of ether. Legal or regulatory changes may also negatively impact the operation of the Ethereum Network or restrict the use of ether. The realization of any of these risks could result in a decline in the acceptance of ether and consequently a reduction in the value of ether. The value of ether has been historically extremely volatile as illustrated in the chart below:



Source: Bloomberg as of 20 October 2025; data from 8 February 2018 to 19 October 2025

The Index

The ether held by the Sub-Fund will be valued based on the CME CF Ether-Dollar Reference Rate - Asia Pacific Variant (Index Code: ETHUSD_AP) which is a benchmark index price for ether based on materially the same methodology (except the calculation time) as the Index Provider's ether reference. It aggregates the trade flow of ether trading activity across major spot ether trading venues approved by the CME CF Cryptocurrency Pricing Products Oversight Committee of CF Benchmarks Ltd. ("**Constituent Exchanges**"). The committee is responsible for overseeing the scope of the reference rates by developing a code of conduct for the participants and regularly reviewing the practice, standards and definition of the reference rate to ensure it remains relevant and retains its integrity. The Index is designed based on the IOSCO Principles for Financial Benchmarks and is a Registered Benchmark under the UK Benchmark Regulations ("**BMR**"). The Net Asset Value of the Sub-Fund will be valued by reference to the Index.

To be eligible as a Constituent Exchange, a spot ether trading venue is required to meet certain eligibility criteria imposed by the Index Provider (e.g. minimum trading volume, compliance with applicable law and regulations, etc.) and make trade data and order data available through an automatic programming interface with sufficient reliability, detail and timeliness. The Constituent Exchanges of the Index may change from time to time subject to the review of the CME CF Cryptocurrency Pricing Products Oversight Committee ("**Oversight Committee**") of the Index Provider. Addition and removal of Constituent Exchanges may be nominated by any member of the public, exchange or the Oversight Committee and such nomination will be reviewed by the Oversight Committee. As of 14 July 2025, the Constituent Exchanges include the following:

- Coinbase: A U.S.-based platform registered as an Money Service Business ("**MSB**") with the United States Department of the Treasury Financial Crimes Enforcement Network ("**FinCEN**") and licensed as a virtual currency business under the BitLicense of the New York State Department of Financial Services ("**NYDFS**") as well as a money transmitter in various U.S. states.
- Bitstamp: A U.K.-based platform registered as an MSB with FinCEN and licensed as a virtual currency business under the NYDFS BitLicense as well as money transmitter in various U.S. states.
- itBit: a U.S.-based platform that is licensed as a virtual currency business under the NYDFS BitLicense. It is also registered as an MSB with FinCEN and is licensed as a money transmitter in various U.S. states.
- Kraken is a U.S.-based platform that is registered as an MSB with FinCEN in various U.S. states, Kraken is registered with the U.K. Financial Conduct Authority ("**FCA**") and is authorised by the Central Bank of Ireland as a Virtual Asset Service Provider. Kraken also holds a variety of other licenses and regulatory approvals.

- Gemini is a U.S.-based platform that is licensed as a virtual currency business under the NYDFS BitLicense. It is also registered with FinCEN as an MSB and is licensed as a money transmitter in various U.S. states.
- LMAX Digital: A Gibraltar based platform regulated by the Gibraltar Financial Services Commission as a Distributed Ledger Technology provider for execution and custody services. LMAX Digital does not hold a BitLicense and is part of LMAX Group, a U.K.-based operator of a FCA regulated Multilateral Trading Facility and Broker-Dealer.
- Crypto.com is a Singapore-based platform that is licensed by FCA as an electronic money institution and is authorised by the Central Bank of Ireland as a Virtual Asset Service Provider. It is also registered as an MSB with FinCEN and is licensed as a money transmitter in various U.S. states.
- Bullish Exchange is a Gibraltar based platform regulated by the Gibraltar Financial Services Commission as a Distributed Ledger Technology provider. It is also registered with FinCEN as an MSB in various U.S. states.

The administrator of the Index is CF Benchmarks Ltd. (the “**Index Provider**”) a UK incorporated company, authorised and regulated by the Financial Conduct Authority of the UK as a Benchmark Administrator, under UK BMR. The Manager and its connected persons are independent of the Index Provider.

The Index serves as a once-a-day benchmark rate of the U.S. dollar price of ether (USD/ETH), calculated as of 4:00 p.m. (Hong Kong time). The Index aggregates the trade flow of all Constituent Exchanges, during an observation window between 3:00 p.m. and 4:00 p.m. (Hong Kong time) into the U.S. dollar price of one ether at 4:00 p.m. (Hong Kong time).

Specifically, the Index is calculated based on the “Relevant Transactions” (as defined below) of all Constituent Exchanges as follows:

- All Relevant Transactions are added to a joint list, recording the time of execution, and trade price for each transaction.
- The list is partitioned by timestamp into 12 equally-sized time intervals of 5 minute length.
- For each partition separately, the volume-weighted median trade price is calculated from the trade prices and sizes of all Relevant Transactions, i.e., across all Constituent Exchanges. A volume-weighted median differs from a standard median in that a weighting factor, in this case trade size, is factored into the calculation.
- The CME CF Ether-Dollar Reference Rate - Asia Pacific Variant is then determined by the equally-weighted average of the volume medians of all partitions.

A “**Relevant Transaction**” is any ether versus USD spot trade that occurs during the observation window between 3:00 p.m. and 4:00 p.m. (Hong Kong time) on a Constituent Exchange in the spot ether-USD pair that is reported and disseminated by a Constituent Exchange through its publicly available application programming interface and observed by the Index Provider.

The Index was launched on 11 September 2023.

You can obtain the most updated list of Constituent Exchanges, the last closing index level and additional information of the Index including important news from the website of the Index Provider and index methodology at https://www.cfbenchmarks.com/data/indices/ETHUSD_AP (this website has not been reviewed by the SFC).

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As of the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified above. Such information may change from time to time and details of the changes will appear on that website.

All copyright in the Index values vest in the Index Provider which will apply all necessary means to ensure the accuracy of the Index. However, the Index Provider 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.

The initial term of the licence of the Index commences on 2 December 2025 and shall continue unless either party to the licence agreement serves a written notice of termination of three months prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement. **How will the Sub-Fund's ether be held?**

The Custodian has appointed OSL Digital Securities Limited (which acts acting via its associated entity OSL Custody Services Limited (the "Sub-Custodian") to take custody of the ether holdings of the Sub-Fund.

OSL Digital Securities Limited is a company incorporated in Hong Kong and licensed with the SFC to carry on Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities with CE number BPJ213. OSL Digital Securities Limited is a wholly owned subsidiary of OSL Group Limited (formerly known as BC Technology Group Limited), providing prime brokerage, custody, exchange and Software as a Service (SaaS) services.

As the operator of a Virtual Asset Trading Platform, OSL Digital Securities Limited is subject to certain licensing conditions imposed by the SFC, including that it must comply with the "Terms and Conditions for Virtual Asset Trading Platform Operators" and certain provisions of the Guidelines for Virtual Asset Trading Platform Operators, each issued by the SFC and as amended from time to time, which impose requirements on key areas such as custody of client assets, know-your-client, anti-money laundering/counter-financing of terrorism, prevention of market manipulation, admission of virtual assets for trading, cybersecurity and risk management.

OSL Digital Securities Limited holds Virtual Assets for a Sub-Fund through its associated entity, OSL Custody Services Limited (the "**Associated Entity**"). The Associated Entity (i) is an "associated entity" (as defined under Section 165 of the SFO) of OSL Digital Securities Limited, (ii) is incorporated in Hong Kong, (iii) holds a "trust or company service provider licence" under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) of Hong Kong, and (iv) is a wholly owned subsidiary of OSL Digital Securities Limited. The Associated Entity holds the Virtual Assets and fiat currency in the account for the relevant Sub-Fund as trustee pursuant to an express trust arrangement entered into between OSL Digital Securities Limited and the Associated Entity.

The Sub-Custodian is the operator of OSL Exchange, an SFC-licensed virtual asset trading platform, and will ensure that:

- the Sub-Fund's ether holdings are segregated from its own assets and the assets it holds for its other clients;
- at least 98% of the Sub-Fund's ether held by the Sub-Custodian are stored in the cold wallet (except under limited circumstances as permitted by the SFC on a case-by-case basis), and the amount and duration of ether holdings stored in the hot wallet should be minimised as much as possible, save for meeting the needs of subscriptions and redemptions; and
- the seeds and private keys are (i) securely stored in Hong Kong; (ii) tightly restricted to authorised personnel; (iii) sufficiently resistant to speculation (eg, through generation in a non-deterministic manner) or collusion (through measures such as multi-signature and key sharding); and (iv) properly backed up to mitigate any single point of failure.

The Custodian will procure for compensation arrangement with the Sub-Custodian that is commensurate with its services and is in line with the applicable laws and regulations.

The Sub-Custodian has in place a compensation arrangement to cover potential loss of client Virtual Assets through third-party insurance or other permitted means. The Custodian shall ensure the Sub-Custodian will have in place a compensation or insurance arrangement that covers potential loss of 50% of its clients' Virtual Assets in cold storage and 100% of its clients' Virtual Assets in hot and other storages. However, such

compensation arrangement is shared among all clients of the Sub-Custodian and is not specific to the Sub-Fund. There is no assurance that such compensation arrangement is adequate to protect the Virtual Assets of the Sub-Fund from all possible losses. The Manager and the Sub-Fund do not maintain any insurance for the Sub-Fund's ether holdings.

Clients' Virtual Assets held by the Sub-Custodian (which acts via its Associated Entity) in Hong Kong in cold wallets are covered by a specie insurance, which is underwritten by independent third party underwriters operating within the Lloyds of London market. The specie insurance covers the loss or theft of digital asset private keys of the wallets in which client assets are held. The current specie programme offers the Sub-Custodian coverage of up to USD1 billion. The insurance coverage excludes, among other things, loss from any trading and loss from network failure of a cryptocurrency's cryptographic protocol (i.e. a protocol which governs secure communication and exchange of information over a network using cryptographic methods).

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on [25 November 2025] and ends at 11:00 a.m. (Hong Kong time) for in-cash applications or 4:00 p.m. (Hong Kong time) for in-kind applications on [2 December 2025], or such other date as the Manager may determine.

The Listing Date is expected to be on [3 December 2025].

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Shares either on their own account or for their clients, in accordance with the Instrument and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Shares to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Shares for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Shares on their behalf.

After Listing

"**After Listing**" commences on the Listing Date.

Dealings in the Shares on the SEHK will commence on the Listing Date, which is expected to be on [3 December 2025].

All investors may buy and sell Shares in the secondary market on the SEHK. Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Shares in the primary market in Application Share size, from 9:00 a.m. (Hong Kong time) to 11:00 a.m. (Hong Kong time) for in-cash applications or 4:00 p.m. (Hong Kong time) for in-kind applications on each Dealing Day.

The following table summarises all key events and the Manager's expected timetable (all references to times are to Hong Kong time):

<i>Initial Offer Period commences</i>	
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<ul style="list-style-type: none"> • Participating Dealers may apply for creation for themselves or for their clients in Application Share size • Latest time for Creation Applications by Participating Dealers for Shares to be available for trading on the Listing Date 	<ul style="list-style-type: none"> • 9:00 a.m. (Hong Kong time) on [25 November 2025] • 11:00 a.m. (Hong Kong time) for in-cash applications or 4:00 p.m. (Hong Kong time) for in-kind applications on [2 December 2025]
<p><i>After listing (period commences on the Listing Date)</i></p> <ul style="list-style-type: none"> • All investors may start trading Shares on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Share size 	<ul style="list-style-type: none"> • Commence at 9:30 a.m. (Hong Kong time) on [3 December 2025] • 9:00 a.m. (Hong Kong time) to 11:00 a.m. (Hong Kong time) for in-cash applications or 4:00 p.m. (Hong Kong time) for in-kind applications on each Dealing Day

Exchange Listing and Trading (Secondary Market)

The Listing Committee of the SEHK has granted its approval for the listing of, and permission to deal in the Shares traded in HKD.

Shares are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Shares on one or more other stock exchanges. Investors' attention is drawn to the section entitled "**EXCHANGE LISTING AND TRADING (SECONDARY MARKET)**" in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Shares traded in HKD are expected to begin on [3 December 2025].

Participating Dealers should note that they will not be able to sell or otherwise deal in the Shares on the SEHK until dealings begin on the SEHK.

Distribution Policy

The Manager does not intend to pay distributions in respect of the Sub-Fund (or any class of Shares thereof). Net income and net realised capital gains of investments will be reflected in the Net Asset Value of the Sub-Fund.

Dealing Day, Business Day, and Valuation Point

The "**Business Day**" of the Sub-Fund has the same meaning as set out in Part 1 of this Prospectus.

The "**Dealing Day**" of the Sub-Fund means each Business Day during the continuance of the Sub-Fund, and/or such other day or days as the Manager may from time to time determine.

The "**Valuation Point**" of the Sub-Fund has the same meaning as set out in Part 1 of this Prospectus.

Fees and Expenses

Management Fee

The Sub-Fund pays a Management Fee as a single flat fee, currently at 0.60% per annum of the Net Asset Value of the Sub-Fund.

The Management Fee may be increased up to the maximum rate of 0.60% per annum of the Net Asset Value of the Sub-Fund (the “**Maximum Management Fee Rate**”), on one week’s notice to Shareholders.

In the event that such fee is to be increased beyond the Maximum Management Fee Rate, such increase will be subject to the SFC’s approval and not less than one month’s prior notice to Shareholders.

Custodian Fee, Administrator Fee and Registrar Fee

The Custodian and the Administrator are entitled to receive out of the Sub-Fund a fee of up to 1% per annum of the Net Asset Value of the Sub-Fund (the “Custodian Fee and Administrator Fee”), subject to a minimum of USD5,000 per month. The Custodian Fee and Administrator Fee will be accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

The Custodian Fee and Administrator Fee may be increased by agreement with the Manager up to the maximum on giving one month’s notice to Shareholders.

The Registrar is entitled to receive fees of US\$6,000 per annum per class of Shares of a Sub-Fund.

The Custodian, Administrator, Registrar and Sub-Custodian shall also be entitled to receive various transaction, processing, valuation fees and other applicable fees pursuant to the provisions of the Instrument and/or as agreed with the Manager from time to time, and entitled to be reimbursed out of the assets of the Sub-Fund all reasonable out-of-pocket expenses incurred by it in the performance of its duties as the Custodian, Administrator, Registrar and Sub-Custodian.

The fees of the Sub-Custodian are included in the Custodian Fee and Administrator Fee.

Transaction Fee Payable to the Administrator

The Participating Dealers pay USD350 per Application to the Custodian or the Administrator for the benefit of the Administrator. A Participating Dealer may pass on to the relevant investor such transaction fee payable to the Administrator.

Brokerage Rates

The Sub-Fund shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates. Such institutional market rates vary with the investment and the market on which the investment is traded.

Establishment Costs

The cost of establishing the Sub-Fund including preparation of its offering documents, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs including, if considered appropriate by the Manager, any additional costs of determining the stock code, is approximately USD66,000 and will be borne by the Sub-Fund and will be amortised over the first five financial years of the Sub-Fund (or such other period as determined by the Manager after consulting the Auditor and the Custodian).

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Ether Risk

The Sub-Fund is exposed to the risks of ether through its direct investment in ether. Ether is a new and highly speculative investment. Investments linked to ether can be highly volatile compared to investments in traditional securities and the Sub-Fund may experience sudden and large losses. An investor should be prepared that the investment value may be lost suddenly and without warning.

The markets for ether may become illiquid and their prices may fluctuate widely due to numerous events or factors that are potentially difficult to evaluate and unforeseeable, including the following:

New Innovation Risk

Ether is a relatively new innovation and the market for ether is subject to rapid price swings, changes and uncertainty. It is not backed by any authorities, government or corporations. The Ethereum Network was launched in 2015, which limits a potential investor's ability to evaluate an investment in the Sub-Fund. Continued and further development of the Ethereum Network and the acceptance and use of ether are subject to a variety of factors that are difficult to predict or evaluate. Any cessation or reversal of such development of the Ethereum Network or the acceptance of ether may adversely affect the price of ether, and thus the Sub-Fund's investment in ether.

Unforeseeable Risks

Given the rapidly evolving nature of ether, including advancements in the underlying technology, market disruptions and resulting governmental interventions that are unforeseeable, an investor may be exposed to additional risks which cannot currently be predicted.

Speculative Risk

Ether is highly speculative as it has limited track record and lack of intrinsic value. Its value is primarily driven by supply and demand dynamics within the ether market and does not generate cash flows.

Extreme Price Volatility Risk

Investing in ether and related products is highly volatile compared to investments in traditional securities and their price movements are difficult to predict. The prices of ether have historically been extremely volatile. For example, the price of ether dropped 76% during the period from 10 November 2021 to 9 November 2022. Also, the value of ether could decline significantly in a short period of time and without warning, including to zero. For example, in 2020, the biggest single-day drop of the price of ether was 44% (this is based on daily prices of ether against USD on Bloomberg at GMT 00:00). The value of the Sub-Fund's investments in ether and therefore the value of the Sub-Fund could decline significantly and without warning, including to zero, within one day.

Risk relating to the Limited History of Ether

Ether and the Ethereum Network have a limited history, therefore, it is unclear how all elements of ether will unfold over time, specifically with regard to governance between miners, developers and users, as well as the long-term security model as the mining reward of ether decreases over time. Insufficient software development or any other unforeseen challenges that the ethereum community is not able to resolve could have an adverse impact on ether price and thus the Sub-Fund's investment in ether.

Cybersecurity, Fraud, Market Manipulation and Security Failure Risk

Ether may be subject to the risk of fraud, theft, manipulation or security failures, operational or other problems that impact ether trading venues. In particular, the Ethereum Network and entities that hold ether in custody or facilitate the transfers or trading of ether are vulnerable to various cyber attacks. Malicious actors may also exploit flaws in the code or structure in the Ethereum Network that will allow them to, among other things, steal ether held by others, control the blockchain, steal personally identifying information, or issue significant amounts of ether in contravention of the protocols. If parties acting in concert were to gain substantial control of the Ethereum Network, they would have the ability to manipulate transactions, halt payments and fraudulently obtain ether. These events may reduce user confidence in ether, the Ethereum Network and the fairness of

ether trading venues which in turn may have a negative impact on the price of ether. The occurrence of any of the above may have negative impact on the price of ether and the value of the Sub-Fund's investments.

Concentration of Ownership Risk

A significant portion of ether is held by a small number of holders sometimes referred to as "whales", who may have the ability to manipulate the price of ether. As a result, large sales by such holders could have an adverse effect of the market price of ether.

Changes in Acceptance of Ether

As a new asset and technological innovation, the ether industry is subject to a high degree of uncertainty. The adoption of ether will require growth in its usage for various applications that include retail and commercial payments, cross-border and remittance transactions, speculative investment and technical applications. As such, the value of ether is subject to risks related to its usage, and there is no assurance that ether usage will continue to grow over the long-term to support its value. Reduction or slowdown in the acceptance and/or prevalence of ether may result in lack of liquidity, increased volatility or a significant reduction in the price of ether and the value of the Sub-Fund's investments.

Cybersecurity Risk

Security breaches, cyber-attacks, computer malware and computer hacking attacks have been a prevalent concern in relation to digital assets. Multiple thefts of ether and other digital assets from other holders have occurred in the past. Because of the pseudonymous nature of the ether blockchain, thefts can be difficult to trace, which may make ether a particularly attractive target for theft. Cyber security failures or breaches of one or more of the Sub-Fund's service providers (including but not limited to, the Index Provider, the Registrar, the distributor, the Administrator, or the Custodian/Sub-Custodian) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. Additionally, access to the Sub-Fund's ether could be restricted by natural events (such as an earthquake or flood) or human actions (such as a terrorist attack).

Ether is subject to cybersecurity risks including the potential exploitation of flaws in its code or structure by malicious actors which enable them for examples, to control the ether blockchain, steal ether and personal information or issue significant amounts of ether in contravention of the Ethereum Network protocols. These may derogate the confidence on use of ether and adversely impact on the price and liquidity of ether and therefore the value of an investment in the Sub-Fund.

Further, as the Ethereum Network's functionality relies on the Internet, the functionality of the Ethereum Network may be impeded if there is a significant disruption of Internet connectivity affecting large numbers of users or geographic areas or there are technical disruptions or regulatory limitations that affect Internet access. These in turn may adversely impact on the price of ether and the value of the Sub-Fund's investments.

If the Sub-Fund's holdings of ether are lost, stolen or destroyed under circumstances rendering a party liable to the Sub-Fund, the responsible party may not have the financial resources sufficient to satisfy the Sub-Fund's claim. For example, as to a particular event of loss, the only source of recovery for the Sub-Fund may be limited to the relevant custodian or, to the extent identifiable, other responsible third parties (for example, a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Sub-Fund. Similarly, as noted below, the Custodian/Sub-Custodian have limited liability to the Sub-Fund, which could adversely affect the Sub-Fund's ability to seek recovery from them, even when the Custodian's actions or failure to act are the cause of the Sub-Fund's loss. It may not be possible, either because of a lack of available policies or because of prohibitive cost, for the Sub-Fund to obtain insurance that would cover losses of the Sub-Fund's ether. If an uninsured loss occurs or a loss exceeds policy limits, the Sub-Fund could lose all of its assets.

Regulatory Risk

The regulation on ether, digital assets and related products and services continues to evolve and increase. The

regulatory landscape for different jurisdictions at different points in time may be inconsistent or even conflicting. This may impede the growth of the ether economy and have an adverse effect on consumer adoption of ether. Regulation of ether continues to evolve, the ultimate impact of which remains unclear and may adversely affect, among other things, the availability, value or performance of ether. To the extent that future regulatory actions or policies limit or restrict ether usage, ether trading or the ability to convert ether to fiat currencies, the demand for and value of ether may be reduced significantly. Changes to existing regulation (e.g., regarding dealing in virtual asset-related products) may also impact the ability of the Sub-Fund to achieve its investment objective or operate as planned.

These events may reduce user confidence in ether, the Ethereum Network and the fairness of ether trading venues which in turn may have a negative impact on the price of ether and thus the value of the Sub-Fund.

Fork Risk

As the Ethereum Network is an open-source project, the developers may suggest changes to the ethereum software from time to time. The open source nature of the Ethereum Network protocols permits any developer to review the underlying code and suggest changes. If some users and miners adopt a change while others do not and that change is not compatible with the existing software, a fork occurs. Several forks have already occurred in the Ethereum Network resulting in the creation of new, separate digital assets. Which fork will be considered to be ether for purposes of the Index is determined by Index Provider.

If the updated ethereum software is not compatible with the original ethereum software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated ethereum software, this would result in a “hard fork” of the Ethereum Network, with one prong running the earlier version of the ethereum software and the other running the updated ethereum software, resulting in the existence of two versions of Ethereum Network running in parallel and a split of the blockchain underlying the Ethereum Network. The occurrence of such “fork” or similar events may result in an adverse impact on the price and liquidity of ether and the value of the Sub-Fund’s investments.

If ether were to fork into two digital assets, the Sub-Fund may hold, in addition to its existing ether balance, a right to claim an equivalent amount of the new “forked” asset following the “hard fork”. However, the Index does not track forks involving ether. The Sub-Fund may receive or claim rights to any digital assets created by a fork of the Ethereum Network that are supported by the Custodian and for which the Sub-Fund’s trading counterparties support a secondary market. In such circumstances, the Manager will, acting in the best interest of investors, use its sole discretion to determine which network should be considered the appropriate network for the Sub-Fund and keep investors informed. There is no guarantee that the Manager will choose the digital asset that is ultimately the most valuable fork, and their decision may adversely affect the value of the Sub-Fund as a result.

Air Drop Risk

In an air drop, the promoters of a new digital asset announce to holders of another digital asset that they will be entitled to claim a certain amount of the new digital asset for free, based on the fact that they hold such other digital asset. Air drops are not included in the Index under its current methodology. The Index does not track air drops involving ether. Accordingly, the Sub-Fund will disclaim, and the Sub-Fund will irrevocably abandon, all rights to digital assets air dropped to holders of ether. By investing in the Sub-Fund rather than directly in ether, you forgo potential economic benefits associated with air drops. Any change to the Sub-Fund’s policy on air dropped assets would require the Sub-Fund to seek and obtain certain regulatory approvals.

A substantial giveaway of ether to participants in the Ethereum Network (sometimes referred to as an “air drop”) may result in a significant and unexpected declines in the value of ether and the value of the Sub-Fund’s investments.

Transaction Risk

The Ethereum Network faces scaling challenges and efforts to increase the volume of transactions may not be successful. Many digital asset networks, including the Ethereum Network, face significant scaling challenges due to the fact that public blockchains generally face a trade-off between security and scalability. One means

through which public blockchains achieve security is decentralization, which means that transactions are validated through a dispersed network of nodes running without a central authority. Although this structure makes it difficult for a bad actor to manipulate the network, it also makes validating transactions and the state of the blockchain a slow and resource-intensive process. As a result, a digital asset network may be limited in the number of transactions it can process by the capabilities of each single fully participating node. Many developers are actively researching and testing scalability solutions for public blockchains that do not necessarily result in lower levels of security or decentralization, such as off-chain payment channels and sharding. Off-chain payment channels would allow parties to transact without requiring the full processing power of a blockchain. Sharding can increase the scalability of a database, such as a blockchain, by splitting the data processing responsibility among many nodes, allowing for parallel processing and validating of transactions.

There is no guarantee that any of the mechanisms in place or being explored for increasing the scale of settlement of transactions in ether will be effective, or how long these mechanisms will take to become effective, which could adversely impact an investment in the Shares.

“Ethereum 2.0” Risk

The Ethereum Network is in the early stages of an upgrade called Ethereum 2.0. Ethereum 2.0 is intended to be a new iteration of the Ethereum Network that would include switching from a proof-of-work consensus mechanism to a proof-of-stake consensus mechanism. There is no guarantee that the ethereum community will embrace Ethereum 2.0, and the new protocol may never reach critical mass. Ethereum 2.0 is supported by many of the Ethereum Network’s core developers as it is expected to improve network efficiency, scalability and security. Subsequent to the transition of the ethereum blockchain from a proof-of-work consensus mechanism to a proof-of-stake consensus mechanism on 15 September 2022, a sizable community of miners banded together to create ETHPoW (or “ETHW”), a spinoff network which continues to use proof-of-work methods. The two protocols will compete going forward. Lack of adoption of Ethereum 2.0 may have a negative effect on the market value of ether, and thus the value of the Sub-Fund’s investments.

Contagion Risk

The operation of Virtual Assets including ether depends upon the centralised elements of the crypto ecosystem (for example, wallets and trading platforms) which is exposed to concentration risks given its concentrated reliance on a few entities where certain entities handle more than half of the trading volumes. Therefore, the collapse of any major players in the crypto ecosystem may have contagious adverse effects on the values of Virtual Assets including ether and the value of the Sub-Fund’s investments.

Over the past several years, a number of major players such as less regulated virtual assets trading venues have experienced, or may in the future, collapse, stop operating or temporarily or permanently shut down due to issues such as fraud, failure, security breaches, cybersecurity issues or manipulation. This may adversely affect the value of ether and thus the value of the Sub-Fund.

Control and Potential Manipulation of Ethereum Network Risk

Ethereum Network is vulnerable to malicious attack and malicious actor would be able to gain full control of the network and the ability to manipulate the blockchain. If an entity gains control of over 50% of the computing power (requiring more than 50% ownership of the ether that is staked with validators) the entity could use its majority share to double spend ether (i.e. the entity would send ether to one recipient, which is confirmed in the existing blockchain, while also creating a shadow blockchain that sends that same ether to another entity under its control). After a period of time, the entity will release its hidden blockchain and reverse previously confirmed transactions, and due to the way mining works, that new blockchain will become the record of truth. This would significantly erode trust in the Ethereum Network as a store of value and means of exchange which may significantly decrease the value of the ether and in turn the Net Asset Value of the Sub-Fund. The two largest miners or pools of ethereum control in the aggregate more than 50% of the Ethereum Network.

The founders of the Ethereum Network may control large amounts of ether. There are several addresses outside of digital asset trading platforms that hold approximately 60% of staked ether. While there appear to be few concentrated holders of ether based on individual addresses, some holders may have their ether spread across multiple addresses. The decisions made by these such holders may have a notable impact on the

network's governance and direction.

Illicit use of Ethereum

Ethereum can be used to purchase illegal goods, fund illicit activities or launder money. Negative developments of ether may affect the general outlook on the industry as a whole, trigger governmental intervention/restrictions/regulations, and may have adverse effect on the Sub-Fund's investments.

Legal Uncertainty Risk

Ether may or may not be considered as "property" under the law, and such legal uncertainty may affect the nature and enforceability of the Sub-Fund's interest in ether.

Risks associated with Virtual Asset Trading Platforms

The virtual asset trading platforms that the Sub-Fund may acquire and dispose of ether are still developing. The ether traded on these virtual asset trading platforms may be subject to lower liquidity compared to other spot ether trading venue. As such, there may be a delay in the Sub-Fund's ability to acquire or dispose of its investments from these virtual asset trading platforms. The bid and offer spreads of the price of ether on these virtual asset trading platforms may be large and the Sub-Fund may incur significant trading costs.

In the event that the virtual asset trading platform's licence from the SFC is being revoked/terminated or otherwise invalidated, the Sub-Fund may be prohibited from conducting transactions and acquisitions of ether.

Risk relating to Difference between Executable Price of Ether on Virtual Asset Trading Platforms and Valuation Price for Subscription and Redemption

The executable price of ether on the virtual asset trading platforms may not be the same as the traded prices of ether on the Constituent Exchanges used by the Index for valuation of the Sub-Fund. There could be significant difference between executable price of ether on these virtual asset trading platforms and the prices of ether used in calculating the subscription/redemption amount in case of subscription/redemption in cash (even though anti-dilution measures are in place). As such, depending on the circumstances, this may impact Participating Dealers' and Market Makers' ability to conduct effective arbitrage and provide liquidity for the Sub-Fund, which may lead to higher premium or discount to Net Asset Value and/or higher bid-ask spread of the Sub-Fund in secondary market. This may also result in higher tracking difference.

Custody Risk

Ownership and rights to ether depend on securely storing and knowing the private key. If the private key is lost without a backup, access to the corresponding ether address is lost as well, with no possibility of restoration by the Ethereum Network.

While the Manager has conducted due diligence on the Sub-Custodian and believes that there are security procedures in place for the Sub-Fund by the Sub-Custodian, the Manager does not control the Sub-Custodian' or the virtual asset trading platforms' operations or their implementation of such security procedures and there can be no assurance that such security procedures will actually work as designed or prove to be successful in safeguarding the Sub-Fund's assets against all possible sources of theft, loss or damage.

While the Sub-Custodian will store most of the Sub-Fund's ether holdings in the cold wallet (i.e. where the private keys to ether are kept in an offline environment), the Sub-Fund's ether may be temporarily held online in the hot wallet (i.e. where the private keys to ether are kept in an online environment) for meeting the needs of subscriptions and redemptions, which is more susceptible to cyber-attacks. Any insurance coverage obtained by or for the Custodian/Sub-Custodian is solely for the benefit of the Custodian/Sub-Custodian and does not guarantee or insure the Sub-Fund in any way. There is no third-party insurance held on behalf of the ether accounts.

The Sub-Fund itself does not insure its holdings in ether. While the Sub-Custodian are required by the applicable laws and regulations to have in place a compensation arrangement to cover potential loss of client

Virtual Assets through third-party insurance or other permitted means, such compensation arrangement is shared among all clients of the Sub-Custodian and is not specific to the Sub-Fund. There is no assurance that such compensation arrangement is adequate to protect the Virtual Assets of the Sub-Fund from all possible losses. Where the compensation arrangements of the Sub-Custodian are not sufficient to cover the loss of Virtual Assets of the Sub-Fund, neither the Manager nor the Sub-Fund will be responsible for the shortfall.

The Sub-Custodian may hold the Sub-Fund's ethereum holdings in an omnibus client account instead of maintaining a separate segregated account for the Sub-Fund. As a result, the Sub-Fund's ethereum holdings may be commingled with the ether of other clients of the Sub-Custodian. In the event of loss of ether held in the omnibus account due to theft, cyberattacks, loss or damage, the Sub-Fund may need to share the shortfall together with other clients whose ethereum holdings are held in the omnibus account on a pro rata basis.

Risks associated with Difficulties in Verifying Ownership of Ether

Given that ether is pseudonymous in nature, it is difficult to verify the ownership of ether. To the extent the Sub-Fund is subject to fraud, theft and market manipulation or system failure, it will be difficult for the Sub-Fund to trace the Sub-Fund's ether and have a claim against the bad actors.

New Product Risk

The Sub-Fund is a passive ETF investing directly in ether through SFC-licensed virtual asset trading platforms. The novelty of such an ETF and the fact that the Sub-Fund is one of the first few spot Virtual Asset ETFs in Hong Kong makes the Sub-Fund potentially riskier than traditional ETFs investing in equity or debt securities.

Given the novelty of the underlying assets of the Sub-Fund, there is no guarantee that the service providers (such as Participating Dealers and Market Makers) can perform their duties effectively.

Index Risk

The Index is a new index which was launched on 11 September 2023 and has limited operating history. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history. The Index has similar index methodology as CME CF Ether-Dollar Reference Rate which was launched on 14 May 2018, except for the index calculation time. The Sub-Fund is also subject to the risk of system failures or errors of the Index Provider. If the computers or other facilities of the Index Provider, data providers and/or relevant Constituent Exchanges malfunction for any reason, calculation and dissemination of the Index may be delayed. Errors in the Index data, the Index computations and/or construction may occur from time to time and may not be identified and/or corrected for a period of time or at all, which may have an adverse impact on the Sub-Fund and its investors. Any of the foregoing may lead to the errors in the Index, which may lead to a different investment outcome for the Sub-Fund and its investors than would have been the case had such events not occurred.

Concentration Risk

The exposure of the Sub-Fund is concentrated in ether via direct investment in ether. Unlike other funds that may invest in diversified assets, the Sub-Fund's investment strategy is concentrated in a single asset within a single asset class. This may result in higher concentration risk and the Sub-Fund's value may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting ether.

Regulatory Change to the Sub-Fund Risk

The regulations applicable to the Sub-Fund and its underlying investments may be subject to rapid change by government and judicial action. The effect of any such regulatory changes on the Sub-Fund is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Sub-Fund and what can be done, if anything, to try and limit such impact.

Governments and regulators may intervene in the financial markets and ether related markets, such as by the imposition of trading restrictions and/or position limits. This may affect the operation and market making activities of the Sub-Fund, and may create negative market sentiment which may in turn affect the performance of the Sub-Fund.

Trading Hours Differences Risk

As ether is trading 24 hours but trading/dealing in the Shares are not available 24 hours, the value of ether in the Sub-Fund's portfolio may change on days or at times when investors will not be able to purchase or sell the Sub-Fund's Shares.

Appendix dated [25 November 2025]