DISCOUNT CONTROL

INTRODUCTION

The Shares may trade at a discount or at a premium to the Fund's Net Asset Value per Share. In situations where the Shares are trading at a discount, the Fund and the Investment Manager may deploy the following discount control measures.

MANAGER FEE SHARES

Under the Investment Management Agreement, 10% of the IM Management Fee will be:

(a) if the Market Price of the Shares is at a premium to Net Asset Value per Share (excluding Treasury Shares) on the date that the fee is payable, settled in the form of newly issued Shares or transfer of Treasury Shares; or

(b) if the Market Price of the Shares is at a discount to Net Asset Value per Share (excluding Treasury Shares) on the date that the fee is payable, settled in the form of cash which the Investment Manager will use to buy Shares on the Exchange within two (2) Business Days of receipt.

The issued or purchased Shares or transferred Treasury Shares (being the "**Manager Fee Shares**") will, pursuant to the Investment Management Agreement, be held by the Investment Manager and/or its affiliates subject to a three-year rolling lock-up period.

Where Manager Fee Shares are issued or transferred by the Fund in scenario (a) above, the Investment Manager shall receive such number of Manager Fee Shares (rounded down to the nearest whole number) as may be purchased for the relevant amount of IM Management Fee at the Market Price on the date that the fee is payable, provided that: (i) if the requirement for the Net Asset Value of the Fund to be reviewed or audited is not satisfied; or (ii) any thresholds for triggering a mandatory offer under the Takeovers Code will be reached, the payment of that excess part of the IM Management Fee shall be settled in the form of cash instead of Manager Fee Shares.

The Fund and the Investment Manager may mutually agree to amend the Investment Management Agreement with respect to above arrangement on Manager Fee Shares, subject to the SFC's prior approval and by giving not less than one month's prior notice to Shareholders.

SHARE BUYBACKS

The Fund may repurchase Shares as part of its discount control policy using surplus cash including surplus cash received from Investments. Such buybacks must comply with the Instrument as well as the relevant codes and guidelines issued by the SFC from time-to-time, including the Takeovers Code and the Share Buyback Code. For further information, please see the section headed "The Instrument of Incorporation — Redemption and Repurchase of Shares".

DISCRETIONARY TENDER MANDATE

After [**REDACTED**], the Fund may seek Shareholders' approval to tender for up to 20% of its Shares in issue (excluding Treasury Shares and based on the number of Shares as at the latest financial year end of the Fund or, where such Shareholders' approval is sought during the first financial year, the number of Shares that were outstanding as at the [**REDACTED**]) ("**Discretionary Tender Mandate**"). Such tender mandate will have no time limit and independent Shareholders will have a right to terminate the mandate by way of an Ordinary Resolution. Such tender mandate must also comply with the relevant codes and guidance issued by the SFC from time-to-time, including the Takeovers Code and the Share Buyback Code to the extent they do not conflict with the published codes and guidance issued by the SFC.

It is within the Fund's absolute discretion as to whether a Discretionary Tender Mandate is appropriate as a discount control mechanism and whether to seek Shareholders' approval for the same, save that such mandate will only be sought if the Market Price is at a discount to the Net Asset Value per Share (excluding Treasury Shares) which is 20% or greater for at least three consecutive months.

Shares purchased by the Fund pursuant to a Discretionary Tender Mandate shall be purchased at the Fund's Net Asset Value per Share after adjusting for transaction costs in accordance with the UT Code, and either held as Treasury Shares or cancelled, with the Fund voluntarily complying with the Listing Rules as-if and to the extent applicable with respect to Treasury Shares.

DIVIDEND REINVESTMENT SCHEME

Pursuant to its Instrument, the Fund may approve a distribution reinvestment scheme under which eligible Shareholders may elect to receive all or part of their cash distribution in the form of newly issued Shares or existing Treasury Shares. It is intended that all Shareholders will be able to eligible to participate in the distribution reinvestment scheme, except where the Fund considers it necessary or expedient to exclude certain overseas shareholders after making enquiries on the legal restrictions under the law of the relevant place as well as the requirements of the relevant regulatory body or stock exchange in that place.

The decision as to whether to offer a dividend reinvestment scheme in respect of any dividend will be made by the Fund at the time the relevant dividend is declared by the Fund, with the terms and conditions for the same to be disclosed in a circular to Shareholders. Shareholders approval will also be obtained for the distribution reinvestment scheme where required under the relevant Laws and Regulations, for example, where the Fund will issue Shares at a discount to the Net Asset Value per Share pursuant to 8.11(e)(iii) of the UT Code.