

# First Reminder

**IMPORTANT:**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR UNITS OF THE EXCHANGE TRADED FUND NAMED BELOW. If you are in any doubt about the contents of this Announcement and Notice or as to the action to be taken, you should seek professional advice. Investment involves risks which may result in significant loss as there is no guarantee on investment returns.**

If you have sold or transferred all your Units in the GFI MSCI China A International ETF, you should at once hand this Announcement and Notice to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

**IMPORTANT:** Hong Kong Exchanges and Clearing Limited (“**HKEX**”), The Stock Exchange of Hong Kong Limited (“**SEHK**”), Hong Kong Securities Clearing Company Limited (“**HKSCC**”) and the Securities and Futures Commission (“**SFC**”) take no responsibility for the contents of this Announcement and Notice, 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 Announcement and Notice.

GF International Investment Management Limited (“**Manager**”) accepts full responsibility for the accuracy of the information contained in this Announcement and Notice as at the date of publication, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as at the date of publication, there are no other facts the omission of which would make any statement misleading.

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

**GFI ETF SERIES  
(the “Trust”)**

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

**GFI MSCI China A International ETF  
(Stock Codes: 83156 (RMB counter) and 03156 (HKD counter))**

**(the “Sub-Fund”)**

**Announcement and Notice**

**PROPOSED CESSATION OF TRADING, TERMINATION, VOLUNTARY  
DEAUTHORISATION AND DELISTING AND WAIVERS FROM STRICT COMPLIANCE  
OF CERTAIN PROVISIONS OF THE CODE**

# First Reminder

**IMPORTANT:** Investors are strongly advised to consider the contents of this Announcement and Notice. This Announcement and Notice is important and requires your immediate attention. It concerns the proposed cessation of trading of Units of the Sub-Fund on SEHK, the proposed termination and voluntary deauthorisation of the Trust and the Sub-Fund and proposed delisting of the Sub-Fund on SEHK, and the waivers from strict compliance of certain provisions of the Code on Unit Trusts and Mutual Funds (“**Code**”) for the period from 27 September 2018 (“**Trading Cessation Date**”) to the date of deauthorisation and delisting (“**Deauthorisation and Delisting Date**”). In particular, investors should note that:

- taking into account the relevant factors, including, the currently relatively small Net Asset Value of the Sub-Fund (see further details of the factors in the section headed “2. Proposed Termination of the Trust and the Sub-Fund” below), the Manager has, by means of a resolution of the board of directors of the Manager dated 26 July 2018, decided to exercise its power under Clause 27.3 of the Trust Deed to terminate the Trust and the Sub-Fund with effect from the Termination Date (as defined below). The Manager has given written notice to HSBC Institutional Trust Services (Asia) Limited (the “**Trustee**”) notifying the Trustee of its proposal to terminate the Trust and the Sub-Fund, and the Trustee does not object to the proposal;
- immediately after this Announcement and Notice has been published, a certain portion of the assets of the Sub-Fund, amounting to approximately RMB650,000 which is approximately 3.11% of the Net Asset Value of the Sub-Fund as at 23 August 2018 (the “**Provision**”), will be set aside. This Provision is to discharge any future costs, charges, expenses, claims and demands (including but not limited to any Auditors’ fees, regulatory maintenance costs, establishment cost and the fees payable to any service provider of the Trust and the Sub-Fund, including the Trustee but other than transaction costs and any taxes relating to the realisation of assets of the Sub-Fund) that the Trustee and the Manager may incur or make, during the period from the time after this Announcement and Notice has been published up to the Termination Date, in connection with or arising out of the ongoing charges and normal operating expenses of the Trust and the Sub-Fund, and the termination process together with the delisting and deauthorisation (the “**Future Costs**”). For avoidance of doubt, the Future Costs do not include transaction costs and any taxes relating to the realisation of assets of the Sub-Fund. Subject to the Provision, the Manager will bear all costs and expenses associated with the termination of the Trust and the Sub-Fund (other than transaction costs and any taxes relating to the realisation of assets of the Sub-Fund) from the date of this Announcement and Notice up to and including the Termination Date. The Trustee has confirmed that it has no objection to the amount of the Provision;
- as a result of the setting aside of the Provision immediately after this Announcement and Notice has been published, the Net Asset Value and the Net Asset Value per Unit of the Sub-Fund will be reduced before the commencement of the trading on the SEHK on 24 August 2018, as more particularly described below:

	Before setting aside the Provision		After setting aside the Provision	
	Net Asset Value	Net Asset Value per Unit	Net Asset Value	Net Asset Value per Unit
GFI MSCI China A International	RMB20,879,458.02	RMB6.9598	RMB20,229,458.02	RMB6.7432

# First Reminder

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- where the Provision is in excess of the actual amount of the Future Costs (when materialised), such excess will be refunded to the Relevant Investors as part of the Final Distribution in proportion to each Relevant Investor's interests in the Sub-Fund as at the Distribution Record Date. However, where the Provision is insufficient to cover any Future Costs, any shortfall will be borne by the Manager and no further provision will be made;
- the Manager will continue to cap the ongoing charges of the Sub-Fund at 3% per annum of the average Net Asset Value of the Sub-Fund until the Termination Date;
- the last day on which investors may buy or sell Units of the Sub-Fund on SEHK will be 26 September 2018 (“**Last Trading Day**”). This is also the last day for creation and redemption of Units of the Sub-Fund in the primary market in accordance with the usual trading arrangements currently in place;
- Units of the Sub-Fund will cease trading on SEHK from the Trading Cessation Date; that means, no further buying or selling Units of the Sub-Fund on SEHK will be possible from the Trading Cessation Date onwards;
- during the period from the Trading Cessation Date until the Deauthorisation and Delisting Date, the Manager will maintain the Trust's and the Sub-Fund's SFC authorisation status and the Sub-Fund's SEHK listing status. However, subject to the treatment of the Suspended Stocks (please refer to the section headed “5. Treatment of Suspended Stocks” below), the Manager will aim to realise all the assets of the Sub-Fund from the Trading Cessation Date. Accordingly, from the Trading Cessation Date onwards: (i) there will be no further trading of Units of the Sub-Fund on SEHK and no further creation and redemption of Units of the Sub-Fund; (ii) the Manager will start to realise all the assets of the Trust and the Sub-Fund (subject to the treatment of the Suspended Stocks) and the Sub-Fund will mainly hold cash and the Suspended Stocks and therefore cease to track its Underlying Index and will not be able to meet its investment objectives of tracking the performance of the Underlying Index; (iii) the Trust and the Sub-Fund will no longer be marketed to the public in Hong Kong; and (iv) the Sub-Fund will only be operated in a limited manner;
- with a view to minimising further costs, fees and expenses in managing the Trust and the Sub-Fund following the Trading Cessation Date and in the best interest of Unitholders, the Manager has applied to the SFC for, and has been granted, waivers from strict compliance with the following provisions of the Code for the period from the Trading Cessation Date to the Deauthorisation and Delisting Date:
  - (i) Chapter 10.7 (with regard to publishing suspension announcements);
  - (ii) paragraphs 4, 17(a) and 17(b) of Appendix I (with regard to providing estimated Net Asset Value or RUPV (i.e. Reference Underlying Portfolio Value, which is updated at 15 second intervals during trading hours) and last closing Net Asset Value on a real time or near-real time basis);
  - (iii) Chapters 6.1 and 11.1B (with regard to updating the Prospectus of the Trust and the Sub-Fund (“**Prospectus**”) and the product key facts statement of the Sub-Fund (“**KFS**”)); and
  - (iv) Chapter 11.6 (with regard to preparing annual report covering the Termination Audit Period (as defined in sub-section 10.5)).

The details and the conditions on which such waivers are granted are as described in the section headed “10. Waivers” below;

# First Reminder

- the Manager confirms that, save for the particular provisions of the Code set out in sub-sections 10.2 to 10.5 below, the Manager will continue to comply with all the other applicable provisions of the Code and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the applicable provisions in the Trust Deed and other applicable laws and regulations in respect of the Trust and the Sub-Fund until the Deauthorisation and Delisting Date;
- the Manager will, after having consulted the Trust's and the Sub-Fund's Auditor and the Trustee, declare an Interim Distribution (please refer to the section headed "4. Impacts of Proposed Realisation of Assets and Interim Distribution" below for further information) to the Unitholders who hold Units in the Sub-Fund as at close of business on 4 October 2018 (such Unitholders being the "**Relevant Investors**" and such date being the "**Distribution Record Date**"), and the Interim Distribution will be payable on or around 9 November 2018 ("**Interim Distribution Date**");
- certain stock(s) held by the Sub-Fund may be suspended from trading on the Shanghai Stock Exchange or the Shenzhen Stock Exchange as at the Interim Distribution Date. To allow Unitholders to receive distributions without delay, the Interim Distribution will be made on the Interim Distribution Date in respect of the realised assets of the Sub-Fund, despite the fact that the Suspended Stocks are yet to be realised. When all the Suspended Stocks resume trading and are disposed, a Final Distribution (as defined in the section headed "5. Treatment of Suspended Stocks" below) will be made to the Relevant Investors on the Final Distribution Date (as defined below). The Manager will issue an announcement at least one business day before the Final Distribution Date (as defined below) to provide updates on the disposal of the Suspended Stocks and Final Distribution;
- by the date (i) all Suspended Stocks are disposed and distributions are made to the Relevant Investors and (ii) the Trustee and the Manager have formed an opinion that the Trust and the Sub-Fund cease to have any outstanding contingent or actual liabilities or assets, the Trustee and the Manager will commence the completion of the termination of the Trust and the Sub-Fund and such termination date is expected to be on or before 13 September 2019 ("**Termination Date**"). The Manager will publish an announcement at least one business day before the Termination Date about the termination, deauthorisation and delisting of the Sub-Fund;
- if any of the Suspended Stocks has not resumed trading by 30 August 2019, the Manager will issue an announcement on such date to inform Unitholders of the extension of the period of Final Distribution and the postponement of the Termination Date;
- subject to SEHK's approval, the Manager expects the Delisting to take effect at or around the same time as the Deauthorisation, which is expected to be on or around the Deauthorisation and Delisting Date;
- the Manager expects that the Deauthorisation and Delisting will take place either on the Termination Date or immediately after the Termination Date (please note that any product documentation of the Trust and the Sub-Fund previously issued to investors, including the Prospectus and the KFS, should be retained for personal use only and not for public circulation);
- investors should pay attention to the risk factors as set out in the sub-section headed "12.1 Risk Factors relating to the Proposed Cessation of Trading, Termination, Deauthorisation and Delisting" below (including liquidity risk, Units trading at a discount or premium and Market Makers' inefficiency risk, tracking errors during the period from the date of this

# First Reminder

Announcement and Notice to the Last Trading Day risk, Net Asset Value downward adjustment risk, failure to track the Underlying Indices risk and delay in distribution risk). Investors should exercise caution and consult with their professional and financial advisers before dealing in the Units in the Sub-Fund or otherwise deciding on the course of actions to be taken in relation to their Units in the Sub-Fund.

Stockbrokers and financial intermediaries are urged to:

- forward a copy of this Announcement and Notice to their clients holding Units in any of the Sub-Fund, and inform them of the contents of this Announcement and Notice as soon as possible;
- facilitate their clients who want to dispose of Units in the Sub-Fund on or before the Last Trading Day; and
- inform their clients as soon as possible if any earlier dealing deadline, additional fees or charges, and/or other terms and conditions will be applicable in respect of the provision of their services in connection with any disposal of Units in the Sub-Fund.

If investors are in doubt about the contents of this Announcement and Notice, they should contact their independent financial intermediaries or professional advisers to seek their professional advice, or direct their queries to the Manager (for details, please refer to the section headed “14. Enquiries” below).

The Manager will, until the Last Trading Day, issue reminder announcements on a weekly basis to investors informing and reminding them of the Last Trading Day, the Trading Cessation Date and the Distribution Record Date. In addition, further announcements will be made as and when appropriate in accordance with the applicable regulatory requirements, including announcements: (i) in due course to inform the Unitholders of the Interim Distribution Date, together with the amount of the Interim Distribution per Unit for the Sub-Fund, (ii) the Final Distribution Date, together with the amount of the Final Distribution per Unit for the Sub-Fund, (iii) if any of the Suspended Stocks has not resumed trading by 30 August 2019 an announcement to inform investors about the extension of the period of the Final Distribution and the postponement of the Termination Date; and (iv) to inform investors about the Termination Date and the Deauthorisation and Delisting Date.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and Notice, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

Terms otherwise not defined in this Announcement and Notice will have the same meaning as those defined in the Prospectus.

## 1. Introduction

The Manager reserves its right to terminate the Trust and the Sub-Fund (as the case may be) in its absolute discretion by notice in writing under Clause 27.3(a) of the Trust Deed, if on any date, in relation to the Trust, the aggregate Net Asset Value of the Trust is less than RMB100 million (or an equivalent amount in any other currency) or, in relation to the Sub-Fund, the aggregate Net Asset Value of the Units of the relevant classes outstanding in the Sub-Fund is less than RMB50 million (or an equivalent amount in any other currency). As at 23 August 2018, the aggregate Net Asset Value of the Units of the relevant classes outstanding in the Sub-Fund was less than RMB50 million. As the Sub-Fund is the only sub-fund of the Trust, the aggregate Net Asset Value of the Trust will be less than RMB100 million once the Sub-Fund is terminated.

The Manager has, by means of a resolution of the board of directors of the Manager dated 26 July 2018, decided to exercise its power under Clause 27.3 of the Trust Deed to terminate the Trust and the Sub-Fund (“**Termination**”), and voluntarily seek the deauthorisation of the Trust and the Sub-Fund (“**Deauthorisation**”) from the SFC under section 106 of the Securities and Futures Ordinance (“**SFO**”) and the delisting of the Sub-Fund (“**Delisting**”) from SEHK.

The proposed Termination, Deauthorisation and Delisting will only take place after the Manager and Trustee have formed an opinion that the Trust and the Sub-Fund have no outstanding contingent or actual liabilities or assets and will be subject to the final approvals of the SFC and SEHK.

Before the proposed Termination, Deauthorisation and Delisting, the Units of the Sub-Fund will cease trading on SEHK as from 27 September 2018 (“**Trading Cessation Date**”). Accordingly, the last day on which the Units of the Sub-Fund can be traded on SEHK will be 26 September 2018 (“**Last Trading Day**”), and from the Trading Cessation Date onwards, no trading of Units in the Sub-Fund on SEHK will be allowed, and no creation and redemption of Units in the Sub-Fund in the primary market through a Participating Dealer will be allowed.

Clause 27.4 of the Trust Deed requires that not less than one month’s prior notice should be given to Unitholders before the termination of the Trust or the Sub-Fund is to take effect. The Manager by this Announcement and Notice notifies investors of the proposed Termination of the Trust and the Sub-Fund as required under Clause 27.4 of the Trust Deed. Also, as required under Chapter 11.1A of the Code, not less than one month’s notice is hereby given to the investors, notifying them that the Sub-Fund will cease to track its Underlying Index (namely MSCI China A International Index), and cease trading from the Trading Cessation Date.

Subject to the Provision, the Manager will bear all costs and expenses associated with the termination of the Trust and the Sub-Fund (other than any transaction costs and any taxes relating to the realisation of assets of the Sub-Fund) from the date of this Announcement and Notice up to and including the Termination Date.

## 2. Proposed Termination of the Trust and the Sub-Fund

According to Clause 27.3(a) of the Trust Deed, if on any date, in relation to the Trust, the aggregate Net Asset Value shall be less than RMB100 million (or an equivalent amount in any other currency) or in relation to the Sub-Fund, the aggregate Net Asset Value of the Units of the relevant classes outstanding in respect of the Sub-Fund shall be less than RMB50 million (or an equivalent amount in any other currency), the Manager may in its absolute discretion by notice in writing, terminate the Trust or the Sub-Fund.

The Net Asset Value and the Net Asset Value per Unit of the Sub-Fund as at 23 August 2018 were as follows:

# First Reminder

Name of the Sub-Fund	Net Asset Value	Net Asset Value per Unit
GFI MSCI China A International ETF	RMB20,879,458.02	RMB6.9598

Having taken into account the relevant factors including interests of the Unitholders of the Sub-Fund as a whole, the currently relatively small Net Asset Value of the Sub-Fund and the relatively low trading volume of the Sub-Fund, the Manager is of the view that the proposed Termination, Deauthorisation and Delisting of the Trust (and the Sub-Fund) would be in the best interests of the Unitholders. Therefore, the Manager has decided to exercise its power under Clause 27.3 of the Trust Deed to propose to terminate the Trust and the Sub-Fund on the date on which the Trustee and the Manager form an opinion that the Trust and the Sub-Fund cease to have any outstanding contingent or actual assets or liabilities, which is expected to be on or before 13 September 2019 (“**Termination Date**”). The Trust Deed does not require Unitholders’ approval for terminating the Trust and the Sub-Fund on the ground set out in Clause 27.3(a) of the Trust Deed. The Manager has given written notice to the Trustee notifying the Trustee of its proposal to terminate the Trust and the Sub-Fund, and the Trustee does not object to the proposal.

### 3. Proposed Cessation of Trading

The Manager will apply to SEHK to have the Units of the Sub-Fund cease trading on SEHK (“**Cessation of Trading**”) with effect from 27 September 2018, the Trading Cessation Date.

Accordingly, the last day on which investors may buy or sell Units of the Sub-Fund on SEHK will be on 26 September 2018, the Last Trading Day. This is also the last day for creation and redemption of Units of the Sub-Fund in the primary market in accordance with the usual trading arrangements currently in place.

For the avoidance of doubt, creation and redemption of Units in the Sub-Fund by Participating Dealers will continue to be permitted until the Last Trading Day. Creations of Units will be limited to the creation of Units by Participating Dealers for market making activities of market makers to provide liquidity of the trading of the Units on the SEHK. There will be no creation of Units for other purposes from the date after this Announcement and Notice (i.e. 25 August 2018).

Investors should note that application for creation and redemption of Units can only be made by Participating Dealers and the Participating Dealers may have their own application procedures and cut-off times to the Manager which may be earlier than those set out in the Prospectus. Investors are advised to check with Participating Dealers as to the relevant timing deadlines and client acceptance procedures and requirements.

### 4. Impacts of Proposed Realisation of Assets and Interim Distribution

In connection with the proposed Termination of the Trust and the Sub-Fund and subject to the treatment of the Suspended Stocks (please refer to section headed “5. Treatment of Suspended Stocks” below), all of the assets of the Trust and the Sub-Fund will be realised in accordance with Clause 27.8 of the Trust Deed commencing from the Trading Cessation Date.

The realisation of assets of the Sub-Fund associated with the proposed Termination, Deauthorisation and Delisting will not incur any additional cost on the Sub-Fund as compared to the costs associated with normal realisation of investments.

# First Reminder

After the realisation of the assets of the Trust and the Sub-Fund (as described above), the Trust and the Sub-Fund will mainly hold cash, primarily consisting of the proceeds from the realisation of the assets and the Suspended Stocks. Therefore, from the Trading Cessation Date, the Sub-Fund will cease to track its Underlying Index and will not be able to meet its investment objective of tracking the performance of the Underlying Index.

Upon completion of the realisation of the assets (except for the Suspended Stocks) of the Trust and the Sub-Fund, the Manager will, after having consulted the Trust's and the Sub-Fund's Auditor and the Trustee, declare an interim distribution ("**Interim Distribution**") for the Relevant Investors (i.e. Unitholders who hold Units in the Sub-Fund as at the Distribution Record Date). Each Relevant Investor will be entitled to an Interim Distribution of an amount equal to the Sub-Fund's then Net Asset Value (less the value of the Suspended Stocks) in proportion to the Relevant Investor's interests in the Sub-Fund as at the close of business on 4 October 2018 ("**Distribution Record Date**"). The Sub-Fund's then Net Asset Value will be the total value of the net proceeds from the realisation of the assets of the Sub-Fund as described above, plus the value of the Suspended Stocks less any outstanding liabilities as at the Distribution Record Date.

The Interim Distribution to each Relevant Investor is expected to be paid to the accounts of its financial intermediary or stockbroker maintained with CCASS (i.e. the Central Clearing and Settlement System established and operated by HKSCC) on or around 9 November 2018 ("**Interim Distribution Date**"). The Manager will issue a further announcement to inform the Relevant Investors of the exact day of payment of the Interim Distribution, together with the amount of Interim Distribution per Unit for the Sub-Fund, in due course.

## 5. Treatment of Suspended Stocks

Some of the constituent stocks that the Sub-Fund invests in are suspended from trading on the Shanghai Stock Exchange or the Shenzhen Stock Exchange ("**Suspended Stocks**"). Such Suspended Stocks held by the Sub-Fund may be suspended from trading as at the Interim Distribution Date. Any of the Suspended Stocks held by the Sub-Fund which cannot be realised before the Interim Distribution Date will not be included in the distribution to the Relevant Investors on the Interim Distribution Date.

The following summarises the information of the Suspended Stocks held by the Sub-Fund as at 23 August 2018:

<b>Sub-Fund</b>	<b>Number of Suspended Stocks</b>	<b>Fair value of Suspended Stocks</b>	<b>% of Net Asset Value</b>
GFI MSCI China A International ETF	13	RMB 801,878.59	3.84%

The fair value of the Suspended Stocks as at 23 August 2018 has been reviewed by the Manager, in consultation with the Trustee.

The Manager has monitored and will continue to monitor the Suspended Stocks, and in particular, its resumption of trading and any relevant news relating to the Suspended Stocks with a view to realising the Suspended Stocks. There is no active market on any stock exchange or current market price for the Suspended Stocks.

To allow Unitholders to receive distributions without delay, the Interim Distribution will be made on the Interim Distribution Date in respect of the realised assets of the Sub-Fund, despite the fact that the Suspended Stocks are yet to be realised. The Manager considers it uneconomical to make a further distribution every time a Suspended Stock resumes trading and is disposed as each distribution involves various costs such as transaction costs and operational



# First Reminder

costs. As such, when all the Suspended Stocks resume trading and are disposed, a final distribution which will include all proceeds from the realisation of all the Suspended Stocks (“**Final Distribution**”) will be made on to the Relevant Investors on the Final Distribution Date. After the realisation of all the Suspended Stocks, the Manager will notify, by means of publishing announcement, the Relevant Investors of the realisation status of those Suspended Stocks held as at Interim Distribution Date, their final settlement amount sold after trading resumption and the amount of Final Distribution and, after having consulted the Trust’s and the Sub-Fund’s Auditor and the Trustee, declare the Final Distribution for the Relevant Investors. Such announcement will be issued on a date falling within the period from the Interim Distribution Date until the Termination Date and the Final Distribution will be payable on a date falling within the period from Interim Distribution Date until the Termination Date.

The Manager has analysed the situation and expects that all Suspended Stocks will resume trading by 30 August 2019.

If trading for any Suspended Stock does not resume by 30 August 2019, the Manager will extend the period of Final Distribution and postpone the Termination Date based on the prevailing market conditions and promptly notify the Unitholders in accordance with the timetable set out in Annex A.

The Manager considers that the arrangements as set out above, which allow Unitholders to receive distributions without delay, are in the best interest of the Sub-Fund and the Unitholders as a whole. The Trustee does not have any objection to such arrangements.

## 6. Proposed Deauthorisation and Delisting

Subject to the approvals of the SFC and the SEHK, the Deauthorisation and Delisting are expected to take effect either on the Termination Date or immediately after the Termination Date i.e. on or before 13 September 2019 (“**Deauthorisation and Delisting Date**”). The Manager expects, subject to the SEHK’s approval, that the Delisting will only take place at or around the same time of the Deauthorisation.

The proposed Termination, Deauthorisation and Delisting will be subject to the payment of all outstanding fees and expenses (please refer to section 11 below for further information), the discharge of all outstanding liabilities of the Trust and the Sub-Fund, as well as the final approval of the SFC and SEHK.

Following Deauthorisation, the Trust and the Sub-Fund will no longer be subject to regulation by the SFC and will not be available for public distribution in Hong Kong. Any product documentation for the Trust and the Sub-Fund previously issued to investors, including the Prospectus and the KFS, should be retained for personal use only and not for public circulation. Further, stockbrokers, financial intermediaries and investors must not circulate any marketing or other product information relating to the Trust and the Sub-Fund to the public in Hong Kong as this may be in breach of the SFO.

## 7. Further Announcements and Key Dates

Subject to the SFC’s and the SEHK’s approvals for the proposed arrangements set out in this Announcement and Notice, the expected important dates in respect of the proposed Cessation of Trading, Termination, Deauthorisation and Delisting are set out in Annex A.

The Manager will, on a weekly basis from the date of this Announcement and Notice to the Last Trading Day, issue reminder announcements to Unitholders informing and reminding them of the Last Trading Day, the Trading Cessation Date and the Distribution Record Date. In

# First Reminder

addition, the Manager will issue further announcements as and when appropriate in accordance with the applicable regulatory requirements, including announcements:

- (i) (in due course) to inform the Unitholders of the Interim Distribution Date, together with the amount of the Interim Distribution per Unit for the Sub-Fund;
- (ii) (at a date from the Interim Distribution Date until the Termination Date) to inform investors about the Final Distribution Date, together with the amount of Final Distribution per Unit for the Sub-Fund;
- (iii) (shortly before 30 August 2019, if any of the Suspended Stocks has not been realised by then) to inform investors about the extension of the period of the Final Distribution and the postponement of the Termination Date; and
- (iv) (at least one business day before the Termination Date) to inform investors about the Termination Date and the Deauthorisation and Delisting Date.

If there is any change to the dates mentioned in Annex A, the Manager will issue an announcement to inform the investors of the revised dates.

All stockbrokers and financial intermediaries are urged to forward a copy of this Announcement and Notice, together with any further announcements, to their clients investing in the Units of the Sub-Fund, and inform them of the contents of this Announcement and Notice, and any further announcements, as soon as possible.

## **8. What will happen on or before the Last Trading Day? What are the potential actions that can be taken by investors on or before the Last Trading Day?**

### **8.1 Creation and Redemption of Units of the Sub-Fund**

Creation and redemption for Units in the Sub-Fund in the primary market through the Participating Dealers may be made in accordance with the usual trading arrangement currently in place until the Last Trading Day. Creations of Units will be limited to the creation of Units by Participating Dealers for market making activities of market makers to provide liquidity of the trading of the Units on the SEHK. There will be no creation of Units for other purposes from the date after this Announcement and Notice (i.e. 25 August 2018).

From the Trading Cessation Date onwards, no creation and redemption of Units in the Sub-Fund in the primary market through a Participating Dealer will be allowed.

### **8.2 Trading of Units of the Sub-Fund on the SEHK on any Trading Day up to and including the Last Trading Day**

On any trading day up to and including the Last Trading Day, an investor may continue to buy or sell its Units in the Sub-Fund on the SEHK in accordance with the usual trading arrangements, during the trading hours of the SEHK and based on the prevailing market prices. The market makers of the Sub-Fund (the latest list of which is set out in the Manager's website) will continue to perform their market making functions in accordance with the trading rules of the SEHK in respect of the Sub-Fund. The trading price of Units of the Sub-Fund may be below or above the Net Asset Value per Unit of the Sub-Fund.

Investors should note that stockbrokers or other financial intermediaries may impose brokerage fees on any sale of the Units of the Sub-Fund on SEHK on investors, and a transaction levy (at 0.0027% of the price of the Units of the Sub-Fund or such other applicable rate) and a trading

# First Reminder

fee (at 0.005% of the price of the Units of the Sub-Fund) will be payable by each of the buyer and the seller of the Units of the Sub-Fund.

No charge to stamp duty will arise in Hong Kong in respect of sale or purchase of Units of the Sub-Fund on SEHK.

**IMPORTANT NOTE: Investors should note and consider the risk factors as set out in the sub-section headed “12.1 Risk Factors relating to the Proposed Cessation of Trading, Termination, Deauthorisation and Delisting” below and consult their professional and financial advisers before disposing of any Units in the Sub-Fund. If a Unitholder disposes of its Units in the Sub-Fund at any time on or before the Last Trading Day, such Unitholder will not, in any circumstances, be entitled to any portion of the Interim Distribution and the Final Distribution in respect of any Units of the Sub-Fund so disposed. Investors should therefore exercise caution and consult their professional and financial advisers before dealing in their Units of the Sub-Fund or otherwise deciding on any course of action to be taken in relation to their Units of the Sub-Fund.**

## 9. What will happen after the Trading Cessation Date to the Deauthorisation and Delisting Date?

### 9.1 Cessation of Trading

Effective from the Trading Cessation Date, Units of the Sub-Fund will cease trading on the SEHK. Accordingly, no further buying or selling of the Units of the Sub-Fund on the SEHK will be possible from the Trading Cessation Date.

### 9.2 Realisation of Assets

Subject to the treatment of the Suspended Stocks, all of the assets of the Trust and the Sub-Fund will be realised in accordance with Clause 27.8 of the Trust Deed from the Trading Cessation Date and thereafter, the Sub-Fund will mainly hold cash, primarily consisting of the proceeds from the realisation of the assets, and the Suspended Stocks. Consequently, from the Trading Cessation Date, the Sub-Fund will cease to track its Underlying Index and will not be able to meet its investment objective of tracking the performance of the Underlying Index.

### 9.3 Holding Units of the Sub-Fund after the Last Trading Day

The Relevant Investors will be entitled to the Interim Distribution and the Final Distribution (after having consulted the Trust’s and the Sub-Fund’s Auditor and the Trustee) is expected to be paid to the accounts of their financial intermediary or stockbroker maintained with CCASS on the Interim Distribution Date and Final Distribution Date respectively. Please refer to the sections headed “4. Impacts of Proposed Realisation of Assets and Interim Distribution” and “5. Treatment of Suspended Stocks” for details of the Final Distribution arrangements.

### 9.4 Continued Authorisation and Listing Status of the Trust and the Sub-Fund

During the period from the Trading Cessation Date to and including the Deauthorisation and Delisting Date:

- (a) the Trust and the Sub-Fund remain authorised by the SFC and the Sub-Fund remains listed on the SEHK, although the Units of the Sub-Fund cannot be bought or sold on the SEHK and the Sub-Fund will no longer be marketed to the public in Hong Kong;
- (b) the Trust and the Sub-Fund will continue to comply with the applicable provisions of the Code and the Rules Governing the Listing of Securities on The Stock Exchange of

# First Reminder

Hong Kong Limited, the applicable provisions in the Trust Deed and all other applicable laws and regulations in respect of the Trust and the Sub-Fund save for the waivers granted by the SFC (as described in the section headed “10. Waivers” below).

## 9.5 Limited Operation of the Sub-Fund

During the period from the Trading Cessation Date until the Deauthorisation and Delisting Date, the Sub-Fund will only be operated in a limited manner as there will not be any trading of Units of the Sub-Fund on the SEHK, will not be any further creation and redemption of Units of the Sub-Fund and the Sub-Fund will have no investment activities from the Trading Cessation Date.

## 9.6 Termination, Deauthorisation and Delisting

Following the disposal of all Suspended Stocks and the Final Distribution, when the Trustee and the Manager form an opinion that the Trust and the Sub-Fund ceases to have any outstanding contingent or actual assets or liabilities, the Manager and the Trustee will complete the proposed Termination process in accordance with the Trust Deed and the Manager will proceed with applying to the SFC for Deauthorisation, and to SEHK to complete the Delisting respectively.

Subject to the approvals of the SFC and the SEHK of the Deauthorisation and Delisting, the Deauthorisation and Delisting are expected to take effect either on or immediately after the Termination Date, i.e. on the Deauthorisation and Delisting Date.

## 10. **Waivers**

### 10.1 Background

As mentioned above, while the Units in the Sub-Fund will cease trading effective from the Trading Cessation Date, because of certain outstanding actual and contingent assets or liabilities in relation to the Trust and the Sub-Fund, the Trust and the Sub-Fund will remain in existence after the Trading Cessation Date until the Termination Date. During such period, the Trust and the Sub-Fund remain authorised by the SFC and the Sub-Fund remains listed on the SEHK until the completion of the proposed Termination, Deauthorisation and Delisting. The SFC’s authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

However, from the Trading Cessation Date onwards:

- (i) there will be no further trading of Units of the Sub-Fund on the SEHK and no further creation and redemption of Units of the Sub-Fund;
- (ii) the Manager will start to realise all the assets of the Trust and the Sub-Fund (subject to the treatment of the Suspended Stocks) and the Sub-Fund will mainly hold cash and the Suspended Stocks and therefore, cease to track the Underlying Index and will not be able to meet its investment objectives of tracking the performance of the Underlying Index;
- (iii) the Trust and the Sub-Fund will no longer be marketed to the public in Hong Kong; and
- (iv) the Sub-Fund will only be operated in a limited manner.

# First Reminder

Accordingly, with a view to minimising the further costs, fees and expenses in managing the Trust and the Sub-Fund following the Trading Cessation Date and in the best interest of Unitholders, the Manager has applied to the SFC for, and has been granted, waivers from strict compliance with certain provisions of the Code for the period from the Trading Cessation Date to and including the Deauthorisation and Delisting Date.

The details of the waiver granted and the conditions on which such waiver was granted are set out in this section 10.

## 10.2 Publishing of the Suspension of Dealing

Under Chapter 10.7 of the Code, the Manager is required to: (a) immediately notify the SFC if dealing in Units of the Sub-Fund ceases or is suspended; and (b) publish the fact that dealing is suspended immediately following the decision to suspend and at least once a month during the period of suspension in an appropriate manner (the requirements under (b) are referred to as the “**Investor Notification Requirements**”).

The Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the Investor Notification Requirements under Chapter 10.7 of the Code (for the period from the Trading Cessation Date to the Deauthorisation and Delisting Date), subject to the condition that a statement shall be posted in a prominent position of the Manager’s website from the Trading Cessation Date until the Deauthorisation and Delisting Date to notify investors that the Units of the Sub-Fund have ceased trading on SEHK from the Trading Cessation Date, and draw investors’ attention to this Announcement and Notice and all other relevant announcements.

As the Sub-Fund will retain their SEHK listing status after the Last Trading Day until the Deauthorisation and Delisting Date, investors may continue to access further announcements in relation to the Trust and the Sub-Fund via HKEX’s website and the Manager’s website during such period.

## 10.3 Provision of Estimated Net Asset Value or RUPV<sup>1</sup> and Last Closing Net Asset Value on a Real Time or Near Real Time Basis

Under paragraphs 4, 17(a) and 17(b) of Appendix I to the Code, the Manager is required to provide estimated Net Asset Value or RUPV and last closing Net Asset Value of the Sub-Fund to the public on a real time or near-real time basis unless otherwise waived, via any suitable channels in paragraph 18 of Appendix I to the Code (which include the Sub-Fund’s own website).

From the Trading Cessation Date onwards, there will be no further trading of Units of the Sub-Fund on the SEHK and no further creation and redemption of Units of the Sub-Fund, the Sub-Fund will mainly hold cash and the Suspended Stocks, and the Sub-Fund will only be operated in a limited manner, the Manager proposes and the Trustee consents that the Net Asset Value of the Sub-Fund will be updated on the Manager’s website only when there is any event which causes that Net Asset Value to change. The Manager and the Trustee expect that the events which will cause the Net Asset Value per Unit of the Sub-Fund to change are (i) the Interim Distribution, (ii) the Final Distribution, (in respect of (i) to (ii), please see further in the sections headed “4. Impacts of Proposed Realisation of Assets and Interim Distribution” and “5. Treatment of Suspended Stocks” above), (iii) dividends from the Suspended Stocks (if any), and (iv) any change in the market value of the scrip dividend receivable by the Sub-Fund (if any).

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<sup>1</sup> RUPV stands for “Reference Underlying Portfolio Value” which is updated at 15-second intervals during trading hours.

# First Reminder

Accordingly, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the above-mentioned requirements under paragraphs 4, 17(a) and 17(b) of Appendix I to the Code (for the period from the Trading Cessation Date to and including the Deauthorisation and Delisting Date), subject to the following conditions:

- (A) that the Net Asset Value per Unit of the Sub-Fund as of the Last Trading Day, which will be the latest available Net Asset Value per Unit of the Sub-Fund, will be published on the Manager's website; and
- (B) the Manager shall update the latest available Net Asset Value per Unit of the Sub-Fund on the Manager's website as soon as practicable should there be any other change to the Net Asset Value of the Sub-Fund including but not limited to changes arising from (i) the Interim Distribution, (ii) the Final Distribution, (in respect of (i) to (ii), please see further in the section headed "4. Impacts of Proposed Realisation of Assets and Interim Distribution" above), (iii) dividends from the Suspended Stocks (if any), and (iv) any change in the market value of the scrip dividend receivable by the Sub-Fund (if any).

## 10.4 Updating of the Offering Documents of the Trust and the Sub-Fund

Under Chapters 6.1 and 11.1B of the Code, the offering document of the Trust and the Sub-Fund (consisting of the Prospectus and the KFS) ("**Offering Document**") must be up-to-date and must be updated to incorporate any relevant changes to the Trust and/or the Sub-Fund.

In view of the cessation of trading of Units of the Sub-Fund from the Trading Cessation Date, there being no further creation or redemption of Units of the Sub-Fund, and the Sub-Fund will no longer be marketed to the public in Hong Kong, the Manager considers that it is not necessary to update the Offering Document to reflect any future changes to the Trust and/or the Sub-Fund prior to the Deauthorisation and Delisting Date. As such, the Manager has applied to the SFC for, and has been granted, waivers from strict compliance with the above-mentioned requirements under Chapters 6.1 and 11.1B of the Code so that the Offering Document needs not be updated in respect of disclosure affecting the Sub-Fund from the Trading Cessation Date.

Without prejudice to the other obligations of the Manager under Chapter 11.1B of the Code, the Manager has undertaken and confirmed with the SFC that it shall:

- (A) promptly notify investors of any changes to the Trust and/or the Sub-Fund or to the Offering Document by means of publishing the announcement(s) on its and HKEX's websites (each, a "**Relevant Future Announcement**"); and
- (B) ensure that each Relevant Future Announcement shall include a statement to refer investors to read this Announcement and Notice together with the Offering Document, and any other Relevant Future Announcement(s).

## 10.5 Preparing Annual Report Covering the Termination Audit Period

Under Chapter 11.6 of the Code, the Manager is required to publish and distribute annual reports and accounts containing the information required under Appendix E to the Code to the investors within four months of the end of the Trust's and the Sub-Fund's financial year (which ends on 31 December in each year). As an alternative to the distribution of printed financial reports, Chapter 11.6 also provides that the investors may be notified of where such reports, in printed and electronic forms, can be obtained within the relevant time frame.

The Manager envisages that following the payment of the Final Distribution, the accounts of the Trust and the Sub-Fund should be relatively simple and straightforward. With a view to

# First Reminder

minimising operational costs during the period of cessation of trading from the Trading Cessation Date, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the abovementioned requirements under Chapter 11.6 of the Code such that, to the extent the Termination Date falls within the first four months of the relevant financial year (the “**relevant financial year**”), the annual report for the preceding year will be combined with the termination audit of the Trust and the Sub-Fund covering the period from 1 January of the year preceding the relevant financial year to the Termination Date (the “**Termination Audit Period**”). The waiver shall be subject to the following conditions:

- (A) the contents of the annual report for the Termination Audit Period (the “**Termination Audit Report**”) shall comply with the requirements under 4.5(f) and Appendix E to the Code, and all other applicable provisions of the Code, other applicable laws and regulations;
- (B) if the Termination Date falls within the first four months of the relevant financial year and the waiver becomes applicable, the Manager shall notify the investors by way of an announcement on its website and the HKEX’s website as soon as practicable before the annual report for the year preceding the relevant financial year is due. Such announcement shall notify the investors of, among other things:
  - (i) when the Termination Audit Report will be published;
  - (ii) the start and end dates of the Termination Audit Period; and
  - (iii) where the Termination Audit Report, in printed and electronic forms, can be obtained; and
- (C) the Termination Audit Report shall be published on the Manager’s website and the HKEX’s website as soon as practicable and in any event no later than three months after the Termination Date (i.e. not more than 19 months from 1 January of the year preceding the relevant financial year), and will remain published on the Manager’s website for a period of at least one year after the Deauthorisation and Delisting Date.

The Manager confirms that the investors will not be prejudiced from the waiver from strict compliance with Chapter 11.6 of the Code.

## 10.6 Other Related Matter

The Manager confirms that, save for the particular provisions of the Code set out in sub-sections 10.2 to 10.5 above, the Manager will continue to comply with all the other applicable provisions of the Code and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the applicable provisions in the Trust Deed and other applicable laws and regulations in respect of the Trust and the Sub-Fund.

## 11. **Costs**

### 11.1 Fees and Charges in respect of Trading of Units of the Sub-Fund on SEHK

As indicated in the sub-section headed “8.2 Trading of Units of the Sub-Fund on the SEHK on any Trading Day up to and including the Last Trading Day” above, investors’ stockbrokers or financial intermediaries may levy certain fees and charges for any orders to dispose of Units of the Sub-Fund on or before the Last Trading Day.

### 11.2 Fees and Charges in respect of Creation and Redemption of Units of the Sub-Fund in the Primary Market

# First Reminder

All creation and redemption of Units of the Sub-Fund by the Participating Dealers will be subject to the fees and costs as set out in the Prospectus. The Participating Dealers may pass on to the relevant investors such fees and costs. The Participating Dealers may also impose fees and charges in handling any creation and redemption request which would also increase the cost of creation and redemption. Investors are advised to check with the Participating Dealers as to the relevant fees, costs and charges.

## 11.3 Costs and Expenses associated with the Proposed Termination, Deauthorisation and Delisting

Subject to the Provision, the Manager will bear all costs and expenses associated with the termination of the Trust and the Sub-Fund (other than any transaction costs and any taxes relating to the realisation of assets of the Sub-Fund) from the date of this Announcement and Notice up to and including the Termination Date.

## 11.4 Ongoing Charges of the Sub-Fund

The ongoing charges over a year of the Sub-Fund are currently capped at 3% per annum. The ongoing charges figure represents the ongoing expenses expressed as a percentage of the Sub-Fund's average Net Asset Value over the same period.

The Manager will continue to cap the ongoing charges of the Sub-Fund at 3% per annum until the Termination Date. The Manager will continue to charge a management fee up to and including the Trading Cessation Date.

Please note for completeness the ongoing charges figure shown above is calculated in accordance with the guidance under the relevant SFC circular, and excludes the following costs and expenses associated with the termination of the Trust and the Sub-Fund (which are to be borne by the Trust and the Sub-Fund): (i) normal operating expenses such as transaction costs and (ii) any taxes relating to the liquidation of assets of the Sub-Fund.

Immediately after this Announcement and Notice has been published, a certain portion of the assets of the Sub-Fund, amounting to approximately RMB650,000 which is approximately 3.11% of the Net Asset Value of the Sub-Fund as at 23 August 2018 (the "**Provision**") will be set aside. This Provision is to discharge any future costs, charges, expenses, claims and demands (including but not limited to any Auditors' fees, regulatory maintenance costs, establishment cost and the fees payable to any service provider of the Trust and the Sub-Fund, including the Trustee but other than transaction costs and any taxes relating to the realisation of assets of the Sub-Fund) that the Trustee and the Manager may incur or make, during the period from the time after this Announcement and Notice has been published up to the Termination Date, in connection with or arising out of the ongoing charges and normal operating expenses of the Trust and the Sub-Fund, and the termination process together with the delisting and deauthorisation (the "**Future Costs**"). For avoidance of doubt, the Future Costs do not include transaction costs and any taxes relating to the realisation of assets of the Sub-Fund. The Trustee has confirmed that it has no objection to the amount of the Provision.

As a result of the setting aside of the Provision immediately after this Announcement and Notice has been published, the Net Asset Value and the Net Asset Value per Unit of the Sub-Fund will be reduced before the commencement of the trading on the SEHK on 24 August 2018, as more particularly described below:



# First Reminder

	Before setting aside the Provision		After setting aside the Provision	
	Net Asset Value	Net Asset Value per Unit	Net Asset Value	Net Asset Value per Unit
GFI MSCI China A International ETF	RMB20,879,458.02	RMB6.9598	RMB 20,229,458.02	RMB6.7432

Please refer to “Net Asset Value downward adjustment risk” in sub-section 12.1 below.

Where the Provision is in excess of the actual amount of the Future Costs (when materialised), such excess will be refunded to the Relevant Investors as part of the Final Distribution in proportion to each Relevant Investor's interests in the Sub-Fund as at the Distribution Record Date. However, where the Provision is insufficient to cover any Future Costs, any shortfall will be borne by the Manager and no further provision will be made.

## 11.5 Unamortised preliminary expenses of the Sub-Fund

Since the Trust and the Sub-Fund are newly established, their establishment costs have not been fully amortised. The total costs of establishment of the Trust and the Sub-Fund are RMB2 million, which are to be borne by the Sub-Fund and amortised over first five financial years.

As of 24 August 2018, the unamortised establishment costs of the Trust and the Sub-Fund were RMB441,384.06.

The Sub-Fund will continue to bear the establishment costs (based on daily amortisation over first five financial years) up to the Last Trading Day (which is reflected in the Provision), and the Manager will bear any remaining unamortised establishment costs.

The Trust and the Sub-Fund do not have any contingent liabilities (such as pending litigation) as at the date of this Announcement and Notice.

## 12. **Other Matters**

### 12.1 Risk Factors relating to the Proposed Cessation of Trading, Termination, Deauthorisation and Delisting

As consequence of the proposed Cessation of Trading, Termination, Deauthorisation and Delisting (collectively referred to as the “**Proposal**”), investors should note and consider the following risks:

“**Liquidity risk**” - Trading of Units in the Sub-Fund on SEHK from the date of this Announcement and Notice may become less liquid.

“**Units trading at a discount or premium and market makers’ inefficiency risk**” - Although up to (and including) the Last Trading Day, the market makers will continue to perform their market making functions in respect of the Sub-Fund in accordance with the Trading Rules of SEHK, Units in the Sub-Fund may trade at a discount compared to its Net Asset Value in extreme market situations. This is because many investors may want to sell their Units of the Sub-Fund after the Proposal has been announced but there may not be many investors in the market who are willing to purchase the Units of the Sub-Fund. On the other hand, it is also possible that the Units of the Sub-Fund may trade at a premium and consequently the

# First Reminder

divergence between the supply of and demand for the Units of the Sub-Fund may be larger than usual. The market makers may not be able to effectively perform their market making activities to provide liquidity of the trading of Units of the Sub-Fund on SEHK in these extreme market situations. As a result, the price volatility of the Units of the Sub-Fund may be higher than usual from the date of this Announcement and Notice up to (and including) the Last Trading Day.

**“Tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk”** - The setting aside of the Provision will adversely affect the Net Asset Value per Unit of the Sub-Fund. This reduction of Net Asset Value per Unit of the Sub-Fund may cause the Sub-Fund’s returns to substantially deviate from the performance of the Underlying Index so that the Sub-Fund will not be able to properly track the performance of the Underlying Index from the period from the date of this Announcement and Notice and thus triggering significant tracking error. Moreover, it is possible that the size of the Sub-Fund may drop drastically before the Last Trading Day. This may impair the Manager’s ability to fulfil the investment objective of the Sub-Fund and result in significant tracking error. In the extreme situation where the size of the Sub-Fund becomes so small that the Manager considers that it is not in the best interest of the Sub-Fund to continue to invest in the market, the Manager may decide to convert the whole or part of the investments of the Sub-Fund into cash or deposits in order to protect the interest of the investors of the Sub-Fund.

**“Net Asset Value downward adjustment risk”** - Changes in economic environment, consumption pattern and investors’ expectations may have significant impact on the value of the investments and there may be significant drop in value of the securities. Also, the Net Asset Value of the Sub-Fund may be reduced as the Sub-Fund will set aside the Provision immediately after publication of this Announcement and Notice.

**“Failure to track the Underlying Indices risk”** - The Manager will aim to realise all of the Sub-Fund’s investments, to the extent possible and subject to the treatment of the Suspended Stocks, with effect from the Trading Cessation Date. Thereafter, the Sub-Fund’s assets will mainly be in cash. The Sub-Fund will only be operated in a limited manner. It therefore follows that, from the Trading Cessation Date, the Sub-Fund will cease to track its Underlying Index, and will not be able to meet its investment objective of tracking the performance of the Underlying Index.

**“Delay in distribution risk”** - Subject to the treatment of the Suspended Stocks, the Manager will aim to realise all of the assets of the Trust and the Sub-Fund and then proceed with the Interim Distribution as soon as practicable. The Manager will also try to realise the Suspended Stocks as soon as they resume trading, and make Final Distribution accordingly. Based on its analysis, the Manager expects the Suspended Stocks will resume trading by 30 August 2019 and the Relevant Investors will receive the Final Distribution within such time. In the event that the trading of any of the Suspended Stocks is not resumed by 30 August 2019 and/or the Manager is unable to realise all the assets of the Trust and the Sub-Fund in a timely manner during certain periods of time. In this case, the payment of the Interim Distribution, the Final Distribution to the Relevant Investors may be delayed. Factors that may lead to the delay of payment of Interim Distribution, the Final Distribution include the inability to realise the Suspended Stocks (as explained in the section headed “5. Treatment of Suspended Stocks” above) and delay in repatriation of Renminbi following the realisation of the Sub-Fund’s assets.

Investor attention is also drawn to the risks disclosed in the Prospectus.

## 12.2 Tax Implications

Based on the Manager's understanding of the law and practice in force at the date of this Announcement and Notice, as the Sub-Fund is a collective investment scheme authorised under section 104 of the SFO, profits of the Sub-Fund derived from realisation of its assets are exempt from Hong Kong profits tax. Notwithstanding that profits of the Sub-Fund derived from realisation of its assets are exempt from Hong Kong profits tax, the Sub-Fund may be subject to tax in certain jurisdictions where investments are made, on income or capital gains derived from such investments.

No Hong Kong profits tax is expected to be payable by investors in Hong Kong in respect of the Interim Distribution and the Final Distribution to the extent of distribution of profits and/or capital of the Trust and the Sub-Fund. For investors carrying on a trade, profession or business in Hong Kong, profits derived from redemption or disposal of Units of the Sub-Fund may be subject to Hong Kong profits tax if the profits in question arise in Hong Kong and are derived from such trade, profession or business, carried on in Hong Kong as well as where the Units of the Sub-Fund are revenue assets of the investors.

Investors should consult their professional tax advisers for tax advice.

## 12.3 Connected Party Transaction

GF Securities (Hong Kong) Brokerage Limited, which is a connected person (as defined under the Code) of the Manager, currently acts as one of the Participating Dealers of the Sub-Fund. If GF Securities (Hong Kong) Brokerage Limited may decide to dispose all or part of their Units in the Sub-Fund either by selling the Units in the Sub-Fund on the SEHK or by redeeming the Units in the primary market after being informed of the Proposal via this Announcement and Notice, this disposal of Units in the Sub-Fund by GF Securities (Hong Kong) Brokerage Limited, which is beyond the control of the Manager, may reduce the size of the Sub-Fund and impair the Manager's ability to fulfil the investment objective of the Sub-Fund and result in significant tracking error. Please refer to the "Tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk" in the sub-section headed "12.1 Risk Factors relating to the Proposed Cessation of Trading, Termination, Deauthorisation and Delisting" above for further details on tracking error risk.

The Manager currently holds 2,633,600 Units of the Sub-Fund, out of 3,000,000 Units in issue as of 23 August 2018. The Manager intends to hold the Units until Termination.

Apart from the above, no other connected persons of the Manager and/or the Trustee is involved in any transaction in relation to the Trust and the Sub-Fund, nor holds any interest in the Trust and the Sub-Fund.

## 13. **Documents Available for Inspection**

Copies of the following documents are available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) free of charge at the offices of the Manager and copies thereof can be purchased from the Manager on payment of a reasonable fee (except for the documents under (b), the copies of which are available upon request free of charge):

- (a) Trust Deed; and
- (b) the latest annual and semi-annual reports (if any) of the Trust and the Sub-Fund.

The latest version of the Prospectus and KFS are available on the Manager's website.

# First Reminder

## 14. Enquiries

If you have any queries or require further information in relation to any aspect of this Announcement and Notice, please direct them to your stockbrokers or financial intermediaries, contact the Manager at +852 3695 2808 at the Manager's office at Unit 3503-3505, Two International Finance Centre, 8 Finance Street, Central, Hong Kong, or visit the Manager's website: <http://www.gffunds.com.hk><sup>2</sup>.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and Notice as at the date of publication, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as at the date of publication, there are no other facts the omission of which would make any statement misleading.

**GF International Investment Management Limited**

24 August 2018

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<sup>2</sup> The website has not been reviewed by the SFC.

# First Reminder

## Annex A

### Schedule of Proposed Key Dates

Subject to the SFC's and SEHK's respective approvals for the proposed arrangements set out in this Announcement and Notice, it is anticipated that the expected important dates in respect of the proposed Cessation of Trading, Termination, Deauthorisation and Delisting of the Trust and the Sub-Fund will be as follows:

Dispatch of this Announcement and Notice and setting aside the Provision immediately thereafter.	Before commencement of trading on 24 August 2018 (Friday)
Last day for dealings in the Units of the Sub-Fund and last day for creation and redemption of Units of the Sub-Fund (" <b>Last Trading Day</b> ").	26 September 2018 (Wednesday)
Cessation of trading in the Units of the Sub-Fund on the SEHK (" <b>Trading Cessation Date</b> ").  No further creation and redemption of Units in the Sub-Fund.  Commencement of realisation of all the assets of the Trust and the Sub-Fund and the Sub-Fund will cease to be able to track its Underlying Index.  The Sub-Fund will no longer be marketed to the public in Hong Kong.	27 September 2018 (Thursday)
Record date for determining the eligibility of entitlement for the Interim Distribution and the Final Distribution (" <b>Distribution Record Date</b> ").	At close of business on 4 October 2018 (Thursday)
Dispatch of announcement on the Interim Distribution Date and the amount of Interim Distribution per Unit for the Sub-Fund.	On or before 25 October 2018 (Thursday) (at least one business day before the Interim Distribution Date)
Payment of Interim Distribution (as declared by the Manager after having consulted the Trust's and Sub-Fund's Auditor and the Trustee) to the Relevant Investors (i.e. Unitholders who are recorded as holding Units in the Sub-Fund as at the Distribution Record Date) (" <b>Interim Distribution Date</b> ").	On or around 9 November 2018 (Friday)
Dispatch of announcement on the Final Distribution Date and the amount of Final Distribution per Unit for the Sub-Fund.	After 9 November 2018 until Termination Date (at least one business day before the Final Distribution Date)

# First Reminder

<p>Payment of Final Distribution (as declared by the Manager after having consulted the Trust’s and Sub-Fund’s Auditor and the Trustee and which would include all proceeds from the realisation of the Suspended Stocks) to the Relevant Investors (“<b>Final Distribution Date</b>”).</p>	<p>After 9 November 2018 until Termination Date</p>
<p>Termination of the Trust and the Sub-Fund (“<b>Termination Date</b>”).</p>	<p>As soon as possible and expected to be on or before 13 September 2019 (Friday), when all Suspended Stocks resume trading and are disposed and distributions are made to the Relevant Investors, and when the Manager and Trustee form an opinion that the Trust and the Sub-Fund ceases to have any contingent or actual assets or liabilities.</p> <p>If any of the Suspended Stocks has not resumed trading by 30 August 2019, the Manager will issue an announcement to inform Unitholders of the extension of the period of Final Distribution and the postponement of the Termination Date.</p>
<p>Deauthorisation of the Trust and the Sub-Fund and Delisting of the Sub-Fund (“<b>Deauthorisation and Delisting Date</b>”).</p>	<p>On or shortly after the Termination Date, which is the date on which the SFC and SEHK approve the deauthorisation and delisting respectively. The Manager expects that the deauthorisation and delisting will take place either on the Termination Date or immediately after the Termination Date.</p>