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Further to the Announcement and Notice dated 28 November 2018 and titled “Announcement and Notice of the Proposed Cessation of Trading, Termination, Voluntary Deauthorisation and Delisting and Waivers from Strict Compliance with Certain Provisions of the Code” (i.e. the First Announcement), this Announcement is to inform Relevant Investors of the Distribution per Unit of the E Fund FTSE Chinese Government Bond 5-10 Years Index ETF (the “**Terminating Sub-Fund**”, a Sub-Fund as defined in the Prospectus) as follows:

Distribution	Distribution per Unit (Rounded to 4 Decimal Places)
RMB 34,112,505.58	RMB 113.7084

The Distribution for the Terminating Sub-Fund will be paid to the accounts maintained with CCASS of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors held Units on 7 January 2019 (i.e. the Distribution Record Date). It is expected that the Relevant Investors will receive the Distribution on or shortly after 24 January 2019, but the exact timing may vary between different stockbrokers and financial intermediaries. Each Relevant Investor should therefore contact their stockbrokers or financial intermediaries in relation to the payment of the Distribution from them.

The Manager will also update investors by further announcements as and when appropriate in accordance with the applicable regulatory requirements, including announcements: (i) by 15 April 2019, to inform investors whether or not a Further Distribution is payable and, if so, the date and amount per Unit of Further Distribution, or alternatively provide further update, to inform investors about the extension of the period of Further Distribution(s) and the postponement of the Termination Date; and (ii) to inform investors about the Termination Date, the dates for the deauthorisation and the delisting.

IMPORTANT NOTES: Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement to their clients holding Units in the Terminating Sub-Fund, and inform them of the contents of this Announcement as soon as possible. Relevant Investors should contact their stockbrokers and financial intermediaries in relation to the payment of the Distribution from them. Investors should exercise caution and consult with their professional and financial advisers before dealing in the Units or otherwise deciding on the course of actions to be taken in relation to their Units.

E Fund ETFs Trust (the “Trust”)

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

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(RMB Counter Stock Code: 82808)

(HKD Counter Stock Code: 02808)

(the “Terminating Sub-Fund”)

DISTRIBUTION ANNOUNCEMENT

Reference is made to the Announcement and Notice dated 28 November 2018 titled “Announcement and Notice of the Proposed Cessation of Trading, Termination, Voluntary Deauthorisation and Delisting and Waiver from Strict Compliance of Certain Provisions of the Code” (the “**First Announcement**”) issued by E Fund Management (Hong Kong) Co., Limited (the “**Manager**”), the manager of the Trust and the Terminating Sub-Fund.

Capitalised terms not defined in this Announcement shall have the same meanings as defined in the First Announcement.

The purpose of this Announcement is to inform the Relevant Investors of the Distribution. Relevant Investors, as defined in the First Announcement, mean those investors who remain invested in the Terminating Sub-Fund as of 7 January 2019, being the Distribution Record Date.

1. Distribution amount

As disclosed in the First Announcement, the Manager will, after having consulted the Trustee and the Terminating Sub-Fund’s auditors, declare a Distribution for the Terminating Sub-Fund in respect of the Relevant Investors (i.e. those investors remain so as at the Distribution Record Date).

On the above basis the Manager, after having consulted the Trustee and the Terminating Sub-Fund’s auditors, has resolved to approve that Distribution of the following amount shall be paid in cash by the Terminating Sub-Fund in the form of a Distribution to the Relevant Investors of the Terminating Sub-Fund:

Distribution	Distribution per Unit (Rounded to 4 Decimal Places)
RMB 34,112,505.58	RMB 113.7084

The amount of Distribution equals the Net Asset Value of the Terminating Sub-Fund as at 24 January 2019, which, for the avoidance of doubt, does not include the amount of PRC tax provision (in the amount of RMB4,205,338.49) as determined by the Manager in accordance with the Terminating Sub-Fund’s current tax provisioning policy and in consultation with the PRC tax advisers. The final amount of PRC tax payable is subject to the discretion of the PRC tax authorities.

The Distribution per Unit for the Terminating Sub-Fund was determined on the basis of the total amount of Distribution (as described above) and rounded to 4 decimal places. Each Relevant Investor will be entitled to a Distribution of an amount equal to the Terminating Sub-Fund’s total assets (excluding amount of PRC tax payable) in proportion to the Relevant Investor’s interests in the Terminating Sub-Fund as at the Distribution Record Date.

2. Distribution Payment

The Distribution for the Terminating Sub-Fund will be paid to the accounts maintained with CCASS of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors held Units on 7 January 2019 (i.e. the Distribution Record Date). It is expected that the Relevant Investors will receive the Distribution on or shortly after 24 January 2019, but the exact timing may vary between different stockbrokers and financial intermediaries. Each Relevant Investor should contact their stockbrokers or financial intermediaries in relation to the payment arrangements, including payment procedures and settlement date, of the Distribution from them.

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

Investors should consult their professional tax advisers as to their particular tax position.

IMPORTANT NOTES: Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement to their clients holding Units in the Terminating Sub-Fund, and inform them of the contents of this Announcement as soon as possible. Relevant Investors should contact their stockbrokers and financial intermediaries in relation to the payment arrangements, including payment procedures and settlement date, of the Distribution from them.

Investors are strongly advised to read and consider the First Announcement together with the Prospectus, for further details in relation to the Terminating Sub-Fund, the termination, Deauthorisation and Delisting and the applicable risk factors and their implications to investors.

3. Net Asset Value of the Terminating Sub-Fund

Each of the Manager and the Trustee confirms that, the Net Asset Value and Net Asset Value per Unit of the Terminating Sub-Fund as at 24 January 2019 were as follows:

Net Asset Value	Net Asset Value per Unit
RMB 34,112,505.58	RMB 113.7084

A simple breakdown of the Net Asset Values of the Terminating Sub-Fund is as follows:

As at 24 January 2019 (RMB)

Assets

Cash and cash equivalents	38,950,158.69
Minimum Reserve Fund Receivable	252,000.00
Deposit Interest Receivable	2,164.85
Total assets	39,204,323.54

Liabilities

Accrued expenses and other payables	(5,091,817.96)
Total liabilities	(5,091,817.96)

Net Asset Value 34,112,505.58

Number of Units in issue 300,000.00

Net Asset Value per Unit (rounded to 4 decimal places) 113.7084

Distribution per Unit (i.e. Net Asset Value per Unit) 113.7084

4. Expenses in relation to the Terminating Sub-Fund

On 28 November 2018, a Provision in the amount of RMB779,700.63 was set aside, to discharge part of the costs and expenses associated with the termination of the Terminating Sub-Fund.

As mentioned in the First Announcement, any Future Costs, i.e. any future costs, charges, expenses, claims and demands (including but not limited to any legal costs, auditors' fees, regulatory maintenance costs and the fees payable to any service provider to the Terminating Sub-Fund) that the Trustee and the Manager may incur or make, during the period commencing immediately following publication of the First Announcement up to and including the Termination Date, in connection with or arising out of the ongoing maintenance and the termination process together with the delisting and deauthorisation of the Terminating Sub-Fund, to the extent not covered by the Provision or the Ongoing Charges, will be borne by the Manager. Conversely, where the Provision, together with the Ongoing Charges, is in excess of the actual amount of Future Costs until the Termination Date, such excess will be refunded to the Relevant Investors as part of the Distribution or Further Distribution (if any) and, if necessary, any further distribution of the Terminating Sub-Fund in proportion to the Relevant Investor's interests in the Terminating Sub-Fund as at the Distribution Record Date. For the avoidance of doubt, the Future Costs or the Ongoing Charges do not include transaction costs and any taxes relating to the realisation of assets of the Terminating Sub-Fund.

During the period from the time after the First Announcement has been published up to 24 January 2019, the actual Future Costs paid out of the Terminating Sub-Fund have not reached the total amount of the Provision and Ongoing Charges (which in total came to approximately RMB848,700.83 and was capped at 3% per annum or below of the Terminating Sub-Fund's average Net Asset Value over a year); and the remaining Provision and Ongoing Charges will continue to be applied to discharge the Future Costs. The Manager does not anticipate that there will be any over-provisions. In the unlikely event of over-provision, the excess amount of the Provision would be refunded to the Terminating Sub-Fund and form part of the Further Distribution to be made by the Terminating Sub-Fund.

The Manager expects that the total amount of Future Costs to be incurred until Termination Date will exceed the amount of Provision and Ongoing Charges. The Manager will bear the shortfall and no further liabilities will accrue to the Terminating Sub-Fund.

5. PRC tax

For the avoidance of doubt, the Net Asset Value above does not include the PRC tax provision in the amount of RMB4,205,338.49.

As discussed in the First Announcement, the final amount of PRC tax payable will only be determined upon PRC tax clearance, expected in around April 2019. Upon obtaining PRC tax clearance, if the final amount is lower than the Manager's determination, the surplus will be paid to Relevant Investors as Further Distribution in around April 2019. The Manager will make a further announcement by 15 April 2019 to inform investors whether or not a Further Distribution is payable and, if so, the date and amount per Unit of Further Distribution, or alternatively provide further update.

6. Further announcements

The Manager will also update investors by the following further announcements:

- (by 15 April 2019) an announcement to inform investors whether or not a Further Distribution is payable and, if so, the date and amount per Unit of Further Distribution, or alternatively provide further update; and

- (on or around the Termination Date) an announcement informing investors about the Termination Date, dates for the deauthorisation and delisting of the Terminating Sub-Fund,

in accordance with the applicable regulatory requirements. If there is any change to the dates mentioned in the First Announcement, the Manager will issue an announcement to inform the Relevant Investors of the revised dates.

Investors should exercise caution and consult with their professional and financial advisers before dealing in the Units or otherwise deciding on the course of actions to be taken in relation to their Units.

Investors who are in doubt about the contents of this Announcement should contact their independent financial intermediaries or professional advisers to seek their professional advice, or direct their queries to the Manager at 3929 0988 during office hours (except Hong Kong statutory holidays), or visiting the Manager in person at Suites 3501-02, 35/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong, or visiting the Manager's website: www.efunds.com.hk¹.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement 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.

E Fund Management (Hong Kong) Co., Limited
as Manager of the Terminating Sub-Fund

24 January 2019

¹ The website has not been reviewed by the SFC.