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IMPORTANT NOTES: This Announcement is important and requires your immediate attention. 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 compulsory redemption. Investors should exercise caution and consult with their professional and financial advisers on the course of actions to be taken in relation to their Units.

CSOP ETF Series (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)

CSOP CES China A80 ETF
(RMB Counter Stock Code: 83137)
(HKD Counter Stock Code: 03137)
(the “Terminating Sub-Fund”)

ANNOUNCEMENT TREATMENT OF SUSPENDED STOCKS AND COMPULSORY REDEMPTION

Reference is made to the Announcement and Notice dated 16 November 2017 and titled “Announcement and Notice of the Proposed Cessation of Trading, Termination, Voluntary Deauthorisation and Delisting and Waiver from Strict Compliance with Certain Provisions of the Code” (i.e. the “**First Announcement**”), the Interim Distribution Announcement dated 22 January 2018 (i.e. the “**Interim Distribution Announcement**”), the Announcement dated 17 May 2018 and titled “Extension of final distribution and postponement of the termination date announcement” (i.e. the “**Second Announcement**”), the Announcement dated 16 November 2018 and titled “Extension of final distribution and postponement of the termination date announcement” (i.e. the “**Third Announcement**”), and the Announcement dated 11 March 2019 and titled “Announcement Change of Trust Deed” (i.e. the “**Change of Trust Deed Announcement**”), issued by CSOP Asset Management 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 treatment of Suspended Stocks and compulsory redemption of Units in issue in the Terminating Sub-Fund. Relevant Investors, as defined in the First Announcement, mean those investors who remain

invested in the Terminating Sub-Fund as of 22 December 2017, being the Distribution Record Date.

1. Treatment of Suspended Stocks and Compulsory Redemption

1.1 Treatment of Suspended Stocks and Compulsory Redemption

As at the date of this Announcement, one stock held by the Terminating Sub-Fund has been suspended from trading on the Shanghai Stock Exchange since 24 December 2016 and without any indicated date to resume trading (the “**Suspended Stocks**”). There is currently no active market on any stock exchange or current market price for such Suspended Stocks.

As mentioned in the Change of Trust Deed Announcement, the Trust Deed of the Trust has been amended with effect from 11 April 2019, to add a Clause 27.5A, to allow the Manager to, upon consultation with the Trustee, compulsorily redeem Units of a Sub-Fund holding securities that cannot be traded on exchange or otherwise disposed of, following which the Sub-Fund will be terminated in accordance with the Trust Deed. Upon such redemption and payment of redemption proceeds, former unitholders shall have no interest in the relevant Sub-Fund and all rights of such former unitholders shall be extinguished. Following the compulsory redemption, any outstanding assets shall be held on trust by the Trustee, and upon satisfying all liabilities, any excess assets shall be donated to a charity of the Manager’s choice.

The Manager has extended the Final Distribution and postponed the Termination Date twice by issuing the Second Announcement as of 17 May 2018 and the Third Announcement as of 16 November 2018.

As disclosed in the Third Announcement, if trading of any Suspended Stocks has not resumed by 20 May 2019, the Manager will publish an announcement on such date to inform Relevant Investors of the extension of the period of Final Distribution and the postponement of the Termination Date. To avoid further postponing the Final Distribution and the Termination Date of the Terminating Sub-Fund, the Manager took the following steps in relation to the Suspended Stocks:

To allow Unitholders to receive redemption proceeds of Units without undue delay, the Manager will enter into a purchase agreement with the Trustee (acting solely in its capacity as trustee on behalf of the Terminating Sub-Fund) (the “**Suspended Stocks Purchase Agreement**”), pursuant to which the Manager (in its corporate capacity) will purchase the receivables from the Suspended Stocks, comprising (i) the dividends (if any) from the Suspended Stocks and (ii) proceeds from disposal of the Suspended Stocks as and when they become liquid (the “**Suspended Stocks Receivables**”), in consideration for a cash payment by the Manager to the Terminating Sub-Fund at the last traded price of the Suspended Stocks (the “**Suspended Stocks Purchase Price**”). The Manager (in its corporate capacity) will pay the Suspended Stocks Purchase Price to the Trustee (acting solely in its capacity as trustee on behalf of the Terminating Sub-Fund) and compulsorily redeem all Units held by the Relevant Investors in the Terminating Sub-Fund in accordance with Clause 27.5A of the Trust Deed on 20 May 2019 (the “**Compulsory Redemption Date**”), so that the Suspended Stocks Purchase Price will form part of the proceeds payable to the Relevant Investors on compulsory redemption of Units.

Upon the compulsory redemption of all Units and payment of redemption proceeds, the Suspended Stocks shall be held by the Trustee on trust in the name of the Terminating Sub-Fund. When the Suspended Stocks becomes liquid or are otherwise disposed of, the Manager (in its corporate capacity) will, pursuant to the Suspended Stocks Purchase Agreement, be entitled to receive a payment from the Trustee (acting solely in its capacity as trustee on behalf of the Terminating Sub-Fund) out of the Suspended Stocks Receivables, up to the Suspended Stocks Purchase Price.

This means that,

- a) if the Suspended Stocks Receivables, less (i) the cost of holding and disposing the Suspended Stocks between the Compulsory Redemption Date and the date of disposal of the Suspended Stocks and (ii) the Suspended Stocks Purchase Price, is a positive figure, the Trustee shall donate the excess amount to a charity chosen by the Manager upon consultation with the Trustee in accordance with Clause 27.5A of the Trust Deed; and
- b) if the Suspended Stocks Receivables is less than the Suspended Stocks Purchase Price (or if the Suspended Stocks Receivables amounts to zero), the Manager shall bear the loss in its corporate capacity, and neither the Trustee of the Terminating Sub-Fund nor the Unitholders shall be liable for the shortfall.

The Manager considers that the arrangements as set out above, which allow Unitholders to receive proceeds from the redemption of Units at last traded price without undue delay, are in the best interest of the Terminating Sub-Fund and the Unitholders as a whole. The Trustee does not have any objection to such arrangement.

1.2 Determining the Fair Value of Suspended Stocks and the Suspended Stocks Purchase Price

The fair value of Suspended Stocks is determined by Fair Value Committee of the Manager in accordance with the fair valuation policy of the Manager. In particular, with regards to the Suspended Stocks, valuation will be based on specific information about the financial conditions of the relevant company (such as news or announcements). As at the date of this Announcement, the fair value of the Suspended Stocks held by the Terminating Sub-Fund has been drastically reduced by Fair Value Committee considering the current financial conditions of the relevant company (the fair value of which has been decreased to zero). However, in order to protect the interests of the Unitholders, the Manager decided to use the last traded price of the Suspended Stocks for calculation of the Suspended Stocks Purchase Price payable by the Manager to the Terminating Sub-Fund, which would result in a higher Suspended Stocks Purchase Price than if the fair value (as determined by the Fair Value Committee of the Manager) was used. The Trustee does not have any objection to such arrangement.

As at the date of this Announcement, the last traded price of the Suspended Stocks held by the Terminating Sub-Fund is approximately RMB 27,126, which accounted for 47.89% of the Terminating Sub-Fund's NAV as of 17 May 2019 (based on a valuation of the Suspended Stocks at the last traded price).

If the condition of the Suspended Stocks remains unchanged till the Compulsory Redemption Date, this arrangement will remain unchanged. The Manager will update investors by further announcements as soon as practicable if there is any change of condition of the Suspended Stocks before the Compulsory Redemption Date.

2. What will happen after the Compulsory Redemption?

2.1 Further Events

After consulting with the Trustee, the redemption value will be determined on the Compulsory Redemption Date, being the Net Asset Value of the Units then in issue on such date (which, for the avoidance of doubt, will include the Suspended Stocks Purchase Price) (the "**Redemption Value**"). Each Relevant Investor will be entitled to an amount equal to a portion of the Redemption Value in proportion to the Relevant Investor's interests in the Terminating Sub-Fund as at the Distribution Record Date (the "**Redemption Payment**"). Redemption proceeds will be paid in RMB cash only (for both the RMB counter and the HKD counter) to each Relevant Investor on the Redemption Payment Date.

An announcement will be issued on or shortly following the Compulsory Redemption Date to inform the Relevant Investors of the Redemption Value and the Redemption Payment Date.

After the Units are fully redeemed and subject to approval by the SEHK and the SFC, the Terminating Sub-Fund will be delisted from the SEHK and cease to be authorised by the SFC respectively.

2.2 Timetable for Compulsory Redemption , deauthorisation and delisting

| | |
|---|---|
| Dispatch of this announcement | 17 May 2019, Friday |
| The date on which all Units in the Terminating Sub-Fund will be compulsorily redeemed in accordance with Clause 27.5A of the Trust Deed and, after the Manager having consulted the Trustee, the relevant Redemption Value will be determined (the “ Compulsory Redemption Date ”). An announcement will be issued on or shortly following the Compulsory Redemption Date to inform the Relevant Investors of the Redemption Value and the Redemption Payment Date. | 20 May 2019, Monday |
| The date on which redemption proceeds will be paid to Relevant Investors (the “ Redemption Payment Date ”) | On or Around 24 May 2019, Friday |
| Deauthorisation and delisting of the Terminating Sub-Fund An Announcement will be issued on or shortly before the delisting and deauthorisation to inform Relevant Investors of the dates for the delisting and deauthorisation. | The date the SFC and SEHK approve the deauthorisation and delisting respectively. The Manager expects that the deauthorisation and delisting will take place shortly after the Redemption Payment Date. |

As mentioned in the First Announcement, the Manager will bear all costs and expenses associated with the termination, deauthorisation and delisting of the Terminating Sub-Fund (other than normal operating expenses such as transaction costs and any taxes relating to the realisation of assets of the Terminating Sub-Fund) from the date of the First Announcement up to and including the Termination Date.

2.3 After deauthorisation and delisting

The deauthorisation and delisting will take place shortly after the Redemption Payment Date.

Following deauthorisation and delisting, the Terminating Sub-Fund will no longer be subject to regulation by the SFC and will cease to be listed on the SEHK. Any product documentation for the Terminating Sub-Fund previously issued to investors, including the Prospectus, 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 documentation relating to the Terminating Sub-Fund to the public in Hong Kong as this may be in breach of the SFO.

2.4 Future announcements

The Manager will update investors by further announcements as soon as practicable as to the

above timetable, including in relation to the Redemption Payment Date and the date for the delisting and deauthorisation, as and when appropriate in accordance with the applicable regulatory requirements. If there is any change to dates mentioned in this Announcement, the Manager will issue an announcement informing Relevant Investors of the revised dates.

Investors should exercise caution and consult with their professional and financial advisers before 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 (852) 3406 5688 during office hours (except Hong Kong statutory holidays), or visit the Manager in person at 2801-2803, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, or visit the Manager's website: <http://www.csopasset.com>¹.

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.

CSOP Asset Management Limited

as Manager of the Trust and the Terminating Sub-Fund

17 May 2019

¹ The contents of the website have not been reviewed by the SFC.