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Cash Proceeds Distribution

Further to the Announcement and Notice dated 31 March 2021 and titled “*Announcement and Notice of the Proposed Cessation of Trading, Termination, Voluntary Deauthorisation and Delisting and Non-Applicability of Certain Provisions of the Code on Unit Trusts and Mutual Funds*” (the “**First Announcement**”), this Announcement is to inform Relevant Investors of the Cash Proceeds Distribution and Cash Proceeds Distribution per Unit of each Sub-Fund (as defined below) as follows:

Sub-Fund	Cash Proceeds Distribution	Cash Proceeds Distribution per Unit
Vanguard FTSE Asia ex Japan Index ETF	HKD254,614,920.00	HKD30.3113
Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF	HKD329,041,920.00	HKD25.7064
Vanguard Total China Index ETF	RMB276,250,450.00	RMB9.7615

This Cash Proceeds Distribution represents approximately 99% of the NAV of each Sub-Fund, with approximately 1% of the NAV of each Sub-Fund remaining available for the Further Cash Proceeds Distribution.

The Cash Proceeds Distribution for each Sub-Fund will be credited to the CCASS accounts of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors held the Units on 14 May 2021 (i.e. the Final Record Date). It is expected that the Relevant Investors will receive the Cash Proceeds Distribution on or around 9 June 2021, 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 Cash Proceeds Distribution from them.

Further Cash Proceeds Distribution

As of 3 June 2021, details of the Suspended Stocks which each Sub-Fund holds is as follows:

Sub-Fund	Number of Suspended Stocks	Total holdings of Suspended Stocks	% of Net Asset Value of the Sub-Fund
Vanguard FTSE Asia ex Japan Index ETF	3	165,334	0.1496%
Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF	2	251,000	0.1677%
Vanguard Total China Index ETF	3	155,400	0.1198%

As of 3 June 2021 the Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF and the Vanguard FTSE Asia ex Japan Index ETF also hold other illiquid securities that are either delisted or subject to mandatory transfer restrictions, details as follows:

Sub-Fund	Number of illiquid securities	Total holdings of illiquid securities	% of Net Asset Value of the Sub-Fund
Vanguard FTSE Asia ex Japan Index ETF	3	79,157	0.0125%
Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF	1	36,000	0.0000%

Since a Sub-Fund will still hold Suspended Stock and other illiquid securities after 9 June 2021 (i.e. the Cash Proceeds Distribution Date), a Further Cash Proceeds Distribution will be made to the Relevant Investors and as disclosed in the First Announcement, the Manager will consider what options are available to seek to avoid undue delay in the payment of the Further Cash Proceeds Distribution.

The Manager will update investors by further announcements in accordance with the applicable regulatory requirements, to provide updates on the disposal of Suspended Stocks and/or other illiquid securities, the Further Cash Proceeds Distribution, the Further Cash Proceeds Distribution Date and if applicable, any extension of the period of Further Cash Proceeds Distribution and/or (where applicable) the postponement of the Termination Date.

Shortly before the Final Termination Date, the Manager will also issue an announcement informing investors about the Final Termination Date, Deauthorisation Date and the date for the delisting of the Sub-Funds from the SEHK, in accordance with the applicable regulatory requirements. If there is any change to the dates mentioned in the First Announcement, the Manager will also issue an announcement to inform the Relevant Investors of the revised dates.

IMPORTANT NOTES: Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement to their clients holding Units in the Sub-Funds, 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 relevant Cash Proceeds Distribution from them. 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.

Vanguard 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) (“SFO”)

Vanguard FTSE Asia ex Japan Index ETF

(Stock code: 2805 – HKD counter)

(Stock code: 82805 – RMB counter)

(Stock code: 9805 – USD counter)

Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF

(Stock code: 3085 – HKD counter)

(Stock code: 83085 – RMB counter)

(Stock code: 9085 – USD counter)

Vanguard Total China Index ETF

(Stock Code: 83169 - RMB Counter)

(Stock Code: 3169 - HKD Counter)

(Stock Code: 9169 - USD Counter)

(each a “Sub-Fund”, together the “Sub-Funds”)

CASH PROCEEDS DISTRIBUTION ANNOUNCEMENT FOR VANGUARD FTSE ASIA EX JAPAN INDEX ETF, VANGUARD FTSE ASIA EX JAPAN HIGH DIVIDEND YIELD INDEX ETF AND VANGUARD TOTAL CHINA INDEX ETF

Reference is made to the First Announcement issued by Vanguard Investments Hong Kong Limited (the “**Manager**”), the manager of the Trust and the Sub-Funds.

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 Cash Proceeds Distribution with respect to the three Sub-Funds (as defined above). Relevant Investors, as defined in the First Announcement, mean those investors who remain invested in the Sub-Funds as at 14 May 2021, being the Final Record Date.

For details relating to the Cash Proceeds Distribution for (i) Vanguard FTSE Developed Europe Index ETF; (ii) Vanguard FTSE Japan Index ETF; and/or (iii) Vanguard S&P 500 Index ETF, please refer to the Announcement dated 7 June 2021 and titled “*Cash Proceeds Distribution Announcement for Vanguard FTSE Developed Europe Index ETF, Vanguard FTSE Japan Index ETF And Vanguard S&P 500 Index ETF*”.

1. Cash Proceeds Distribution Amount

As disclosed in the First Announcement, the Manager will, after having consulted with the Trustee and the Sub-Fund’s auditor, declare a Cash Proceeds Distribution in the base currency of the relevant Sub-Fund, for the Sub-Funds in respect of the Relevant Investors (i.e. those investors who remain so as at the Final Record Date).

On the above basis the Manager, after having consulted the Trustee and the Sub-Fund’s auditor, has resolved that a Cash Proceeds Distribution of the following amounts shall be paid in cash by each Sub-Fund to the Relevant Investors of each Sub-Fund:

Sub-Fund	Cash Proceeds Distribution	Cash Proceeds Distribution per Unit
Vanguard FTSE Asia ex Japan Index ETF	HKD254,614,920.00	HKD30.3113
Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF	HKD329,041,920.00	HKD25.7064
Vanguard Total China Index ETF	RMB276,250,450.00	RMB9.7615

The Cash Proceeds Distribution per Unit for each of the Sub-Funds was determined on the basis of the Net Asset Value per Unit of the respective Sub-Fund (less (i) the value of any unrealized assets held by the relevant Sub-Fund; (ii) any minimum cash required to facilitate the Further Cash Proceeds Distribution; and (iii) any taxes or any expenses payable by the relevant Sub-Fund) as at 3 June 2021 and rounded to 4 decimal places. Each Relevant Investor will be entitled to a Cash Proceeds Distribution of an amount equal to the respective Sub-Fund’s then Net Asset Value (less (i) the value of any unrealized assets held by the relevant Sub-Fund; (ii) any minimum cash required to facilitate the Further Cash Proceeds Distribution; and (iii) any taxes or any expenses payable by the relevant Sub-Fund) in proportion to the Relevant Investor’s interest in the relevant Sub-Fund as at the Final Record Date.

This Cash Proceeds Distribution represents approximately 99% of the NAV of each Sub-Fund, with approximately 1% of the NAV of each Sub-Fund remaining available for the Further Cash

Proceeds Distribution.

2. **Cash Proceeds Distribution Payment**

The Cash Proceeds Distribution for each Sub-Fund will be credited to the CCASS accounts of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors hold the Units on 14 May 2021 (i.e. the Final Record Date) in each of the Sub-Fund's base currency. It is expected that the Relevant Investors will receive the Cash Proceeds Distribution on or around 9 June 2021, 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 relevant Cash Proceeds Distribution from them.

No Hong Kong profits tax shall generally be payable by investors in Hong Kong in respect of the Cash Proceeds Distribution to the extent of distribution of profits and/or capital of the Sub-Funds. For investors carrying on a trade, profession or business in Hong Kong, profits derived from redemption or disposal of Units in each of the Sub-Funds 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, and the Units of the Sub-Funds are revenue assets of the investors.

Investors should consult their professional tax advisers for tax advice.

IMPORTANT NOTES: Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement to their clients holding Units in the relevant Sub-Funds, 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 Cash Proceeds 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 Trust and the Sub-Funds, the termination, deauthorisation and delisting and the applicable risk factors and their implications to investors.

3. **Net Asset Value of the Sub-Funds**

Each of the Manager and the Trustee confirms that, the Net Asset Value and Net Asset Value per Unit of each Sub-Fund as at 3 June 2021 were as follows:

Sub-Fund	Net Asset Value	Net Asset Value per Unit
Vanguard FTSE Asia ex Japan Index ETF	HKD257,187,176.52	HKD30.6175
Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF	HKD332,365,969.10	HKD25.9661
Vanguard Total China Index ETF	RMB279,043,744.51	RMB9.8602

A simple breakdown of the Net Asset Value of each Sub-Fund is as follows:

Vanguard FTSE Asia ex Japan Index ETF

As at 3 June 2021

Assets

Cash and cash equivalents	HKD256,770,101.28
Equities*	HKD417,075.24

**includes Suspended Stocks*

Total assets	HKD257,187,176.52
Liabilities	
Payables	HKD0
Total liabilities	HKD0
Net Asset Value	HKD257,187,176.52
Number of Units in issue	8,400,000.00
Net Asset Value per Unit	HKD30.6175

Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF

As at 3 June 2021

Assets	
Cash and cash equivalents	HKD331,808,509.06
Equities*	HKD557,460.04
<i>*includes Suspended Stocks</i>	
Total assets	HKD332,365,969.10
Liabilities	
Payables	HKD0
Total liabilities	HKD0
Net Asset Value	HKD332,365,969.10
Number of Units in issue	12,800,000.00
Net Asset Value per Unit	HKD25.9661

Vanguard Total China Index ETF

As at 3 June 2021

Assets	
Cash and cash equivalents	RMB 278,709,312.39
Equities*	RMB 334,432.12
<i>*includes Suspended Stocks</i>	
Total assets	RMB 279,043,744.51
Liabilities	
Payables	RMB 0
Total liabilities	RMB 0

Net Asset Value	RMB 279,043,744.51
Number of Units in issue	28,300,000.00
Net Asset Value per Unit	RMB 9.8602

As mentioned in the First Announcement, the Manager will bear all costs and expenses associated with the termination and deauthorisation of the Trust and the Sub-Funds as well as the delisting of each Sub-Fund from the SEHK (other than normal operating expenses such as transaction costs and any taxes relating to the liquidation of assets of the a Sub-Fund) from the date of the First Announcement up to and including the Final Termination Date. As such, no provision has been set aside for such costs and expenses.

As of 3 June 2021, details of the Suspended Stocks which each Sub-Fund holds is as follows:

Sub-Fund	Number of Suspended Stocks	Total holdings of Suspended Stocks	% of Net Asset Value of the Sub-Fund
Vanguard FTSE Asia ex Japan Index ETF	3	165,334	0.1496%
Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF	2	251,000	0.1677%
Vanguard Total China Index ETF	3	155,400	0.1198%

As of 3 June 2021 the Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF and the Vanguard FTSE Asia ex Japan Index ETF also hold other illiquid securities that are either delisted or subject to mandatory transfer restrictions, details as follows:

Sub-Fund	Number of illiquid securities	Total holdings of illiquid securities	% of Net Asset Value of the Sub-Fund
Vanguard FTSE Asia ex Japan Index ETF	3	79,157	0.0125%
Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF	1	36,000	0.0000%

Since the Sub-Funds will still hold Suspended Stocks and other illiquid securities after the Cash Proceeds Distribution Date, a Further Cash Proceeds Distribution will be made to the Relevant Investors and the Manager will consider what options are available at the time to seek to avoid undue delay in the payment of the Further Cash Proceeds Distribution. The Manager will issue an announcement shortly before 16 July 2021, if any Suspended Stock is not liquidated by then, to inform investors about the next steps, including an extension of the period of Further Cash Proceeds Distribution and/or (where applicable) the postponement of the Termination Date, in accordance with applicable regulatory requirements.

Shortly before the Final Termination Date, the Manager will issue an announcement informing investors about the Final Termination Date, Deauthorisation Date and the date for the delisting of the Sub-Funds from the SEHK, in accordance with the applicable regulatory requirements. If there is any change to the dates mentioned in the First Announcement, the Manager will also 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 by calling +852 3409 8333 during normal business hours (except Hong Kong statutory holidays), or visiting the Manager's website: www.vanguard.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.

Vanguard Investments Hong Kong Limited
as Manager of the Trust and the Sub-Funds

7 June 2021

¹ The website has not been reviewed by the SFC.