恒生投資
HANG SENG INVESTMENT

# PRODUCT KEY FACTS STATEMENT

## Hang Seng FTSE China 50 Index ETF

## 30 April 2026

Issuer: Hang Seng Investment Management Limited

- ***This is a passive exchange traded fund.***
- ***This statement provides you with key information about the Hang Seng FTSE China 50 Index ETF (the "HS FCI50 ETF").***
- ***This statement is a part of the Hong Kong Offering Document of the HS FCI50 ETF.***
- ***You should not invest in the HS FCI50 ETF based on this statement alone.***

## Quick Facts

| | |
|---|---|
| Stock Code: | 2838 |
| Trading Lot Size: | 100 Units |
| Manager: | Hang Seng Investment Management Limited |
| Trustee, Custodian & Registrar: | HSBC Institutional Trust Services (Asia) Limited |
| Underlying Index: | FTSE China 50 Index |
| Trading Currency: | Hong Kong dollars (HKD) |
| Base Currency: | Hong Kong dollars (HKD) |
| Financial Year End of the HS FCI50 ETF: | 31 December |
| Dividend Policy: | Semi-annual cash dividends (if any) at the discretion of the Manager, which are expected to be in respect of the first half and the second half of each calendar year respectively. The Manager currently intends to make declaration of dividend in June and September of each year. There is no guarantee of regular distribution of dividends and, if dividend is paid, the amount being distributed.<br><br>The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the HS FCI50 ETF are charged to/paid out of the capital of the HS FCI50 ETF, resulting in an increase in distributable income for the payment of dividends by the HS FCI50 ETF and therefore, the HS FCI50 ETF may effectively pay dividend out of capital. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions of dividends involving payment of dividends out of capital or effectively out of capital may result in an immediate reduction of the Net Asset Value per Unit. |
| Ongoing Charges Over a Year*: | 1.06% |
| Tracking Difference of 2025**: | -1.93% |
| ETF Website: | www.hangsenginvestment.com▲ |

* The ongoing charges figure is based on ongoing expenses for the year ended 31 December 2025, expressed as a percentage of the HS FCI50 ETF's average Net Asset Value for the same period. It includes the fees of the Manager and the Trustee. Please refer to the "Fees and Expenses Payable by the HS FCI50 ETF" section in the Hong Kong Offering Document for details. This figure may vary from year to year.

** This is the actual tracking difference of the calendar year 2025. Investors should refer to the ETF website for more up-to-date information on actual tracking difference

## What is the HS FCI50 ETF?

The HS FCI50 ETF is a sub-fund of the Hang Seng Investment Index Funds Series III, a unit trust established as an umbrella fund under the laws of Hong Kong. The Units of the HS FCI50 ETF are listed on The Stock Exchange of Hong Kong Limited (the "SEHK") and are traded on the SEHK like listed stocks. The HS FCI50 ETF is a passively managed index tracking exchange traded fund ("ETF") falling under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds.

The HS FCI50 ETF is a "physical" ETF meaning that it invests directly in and holds securities.

## Objective and Investment Strategy

***Objective***

The HS FCI50 ETF is an index-tracking fund which aims to match, before expenses, as closely as practicable the performance of the FTSE China 50 Index (the "Index").

***Investment Strategy***

The Manager primarily adopts a replication strategy. The HS FCI50 ETF invests in substantially all the constituent stocks of the Index in substantially the same weightings (i.e. proportions) as these stocks have in the Index.

In order to maximise portfolio management efficiency, minimise transaction costs and tracking error, exposure to the Index may also be obtained through other index-tracking strategies or financial derivative instruments from which the return to the HS FCI50 ETF substantially reflects the performance of the Index. Such strategies and instruments are chosen based on their correlation to the Index and cost efficiency in order to reflect the characteristics of the Index. Hence, the Manager may decide to utilise a representative sampling strategy or another investment strategy from time to time to achieve the HS FCI50 ETF's investment objective.

Although financial derivative instruments may be used (as aforesaid), they will not be used extensively for investment purpose.

Currently, the Manager has no intention to have any securities lending, sale and repurchase and reverse repurchase transactions (collectively "**securities financing transactions**") or similar over-the-counter transactions entered into for the account of the HS FCI50 ETF. In the future, where the Manager intends to have any securities financing transactions or similar over-the-counter transactions entered into for the account of the HS FCI50 ETF, subject to SFC's prior approval (if necessary), 1 month's prior notice will be given to the relevant Unitholders. Currently, the Manager has no intention to enter into any transactions whereby the HS FCI50 ETF will provide or receive collateral.

***Index***

The Index is designed to represent the performance of the largest companies in the China equity market that are available to international investors. The Index is denominated in HKD and was launched on 19 April 2001 with a base value of 5000 as of 16 March 2001.

The Index consists of 50 largest and most liquid Chinese stocks (the types of shares eligible for inclusion in the Index include H Shares, Red Chip Shares and P Chip Shares) listed and traded on the SEHK. Each stock comprising the Index is also a constituent stock of the FTSE All-World Index.

The Index is a total return index and adopts a free float-adjusted market capitalisation weighted methodology with a 9% cap on each constituent weighting. The 50 constituent stocks of the Index are grouped under industries of Technology, Telecommunications, Health Care, Financials, Real Estate, Consumer Discretionary, Consumer Staples, Industrials, Basic Materials, Energy and Utilities. As at 31 March 2026, the Index comprised 50 constituents with investable market capitalisation of HKD 12,914.5 billion.

The Manager and its connected persons are independent of FTSE International Limited, the Index provider.

The constituent stocks of the Index together with their respective weightings, the Index methodology and other important news relating to the Index are available at the website of the Index provider, FTSE

International Limited, at www.ftserussell.com▲.

## Use of derivatives / investment in derivatives

The HS FCI50 ETF's net derivative exposure may be up to 50% of its Net Asset Value.

## What are the key risks?

**Investment involves risks. Please refer to the "What are the Risks of Investing in the HS FCI50 ETF?" section in the Hong Kong Offering Document of the HS FCI50 ETF for details.**

***1. Investment Risk***

- The HS FCI50 ETF is an investment fund and its investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the HS FCI50 ETF may suffer losses. There is no guarantee of the repayment of principal.

***2. Equity Market Risk***

- The HS FCI50 ETF's investments in equity securities is subject to general market risks, and the value of such investments may fluctuate due to various factors such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

***3. Tracking Error Risk***

- The HS FCI50 ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Index exactly. This tracking error may result from factors such as the investment strategy used, fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error.

- There can be no assurance of exact or identical replication at any time of the performance of the Index.

***4. Passive Investment Risk***

- The HS FCI50 ETF is passively managed and the Manager will not have the discretion to adapt to market changes due to the inherent investment nature of the HS FCI50 ETF. Falls in the Index are expected to result in corresponding falls in the value of the HS FCI50 ETF.

***5. Concentration and Mainland China Market Risks***

- The HS FCI50 ETF's investments are concentrated in securities of companies having substantial business exposure to mainland China. The value of the HS FCI50 ETF may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the HS FCI50 ETF may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the mainland China market.

- The HS FCI50 ETF's investments in mainland China, an emerging market, may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

***6. Trading Risk***

- The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Therefore, the Units may trade at a substantial premium or discount to the HS FCI50 ETF's Net Asset Value.

- As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Units on the SEHK.

***7. Distribution Out of Capital or Effectively Out of Capital Risk***

- Payment of dividends out of capital and/or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit.

***8. PRC Tax Risk***

- There are risks and uncertainties associated with the current PRC tax (including PRC Corporate Income Tax and PRC Value-Added Tax) laws, regulations and practice in respect of income (such as dividend income) derived in the PRC from the HS FCI50 ETF's investments in H-shares and/or certain red chips shares (which may have retrospective effect). Any increased tax liabilities on the HS FCI50 ETF may adversely affect the HS FCI50 ETF's value. The HS FCI50 ETF may also be subject to other taxes imposed in the PRC, which may reduce the income from, and/or the value of, the relevant investments in the HS FCI50 ETF.

***9. Reliance on Market Maker Risk***

- Although the Manager will use its best endeavours to put in place arrangements so that at least one market maker will maintain a market for the Units and that at least one market maker gives not less than 3 months' notice prior to terminating the market making arrangement under the relevant market maker agreement, liquidity in the market for the Units may be adversely affected if there is no or only one market maker for the Units. There is also no guarantee that any market making activity will be effective.

***10. Reliance on the Same Group Risk***

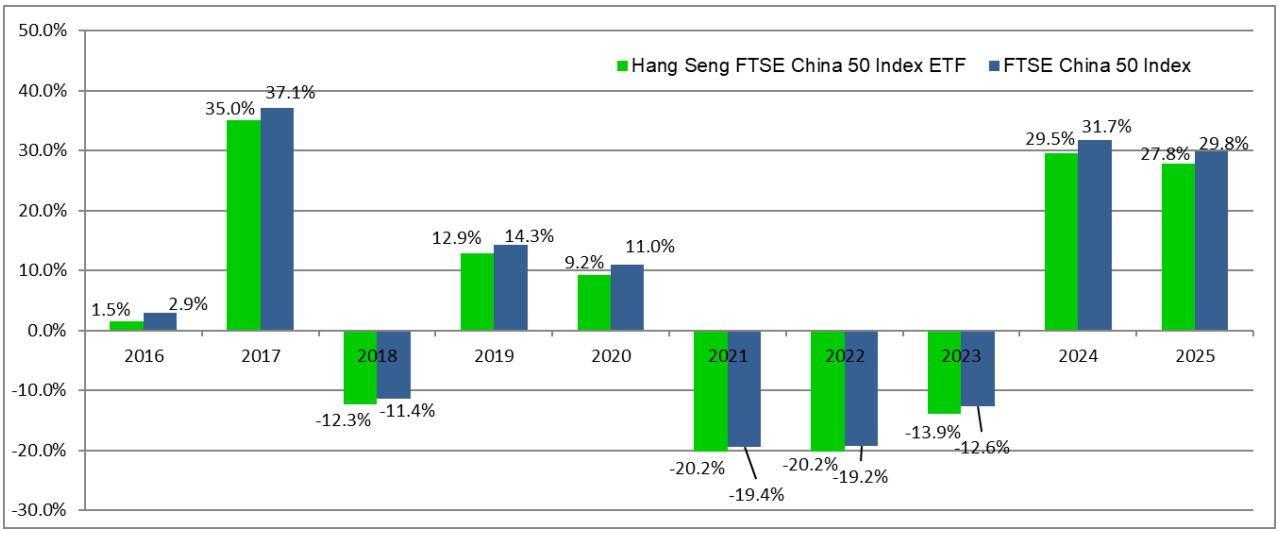
- The Trustee (also acting as the Registrar) and the Manager (also acting as the Listing Agent), are members of the HSBC Group (the "Group"). One or more of the Participating Dealers and/or market makers may also from time to time be members of the Group. Whilst these are separate legal entities and operationally independent, in the event of a financial catastrophe or the insolvency of any member of the Group, there may be adverse implications for the business of the Group as a whole or other members of the Group which could affect the provision of services to the HS FCI50 ETF. In such event the Net Asset Value of the HS FCI50 ETF may be adversely affected and its operation disrupted.

- It should be noted that the Trustee and the Manager are presently members of the Group, and one or more of the Participating Dealers and/or market makers may from time to time be members of the Group. As such, although all transactions will be at arm's length, conflicts of interest in respect of the HS FCI50 ETF may arise from time to time amongst any of them whilst they belong to the Group. The Manager and each of its Connected Persons will have regard to its obligations to the HS FCI50 ETF and Unitholders and will endeavour to ensure such conflicts are resolved fairly.

***11. Termination Risk***

- The HS FCI50 ETF may be terminated early under certain circumstances, for example, where the Index is no longer available for benchmarking or if the size of the HS FCI50 ETF falls below HKD4,000,000. Investors may not be able to recover their investments and suffer a loss when the HS FCI50 ETF is terminated.

## How has the HS FCI50 ETF performed?




- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the total return performance is based on the calendar year end, Net Asset Value-To-Net Asset Value, with dividend (if any) reinvested.
- To achieve comparability among funds' performance presentations in the market for investors, the Manager is to change the methodology used to calculate portfolio and composite returns with effective from 1 September 2022 onward. The change is the total return with dividend reinvested at ex-dividend date instead of payment date. Performance data published prior to 1 September 2022 is incomparable with the performance calculated by the new calculation methodology.
- These figures show by how much the HS FCI50 ETF increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding your trading costs on SEHK.
- The Benchmark of the HS FCI50 ETF is FTSE China 50 Index (total return with dividend reinvested). It was enhanced and renamed from FTSE China 25 Index (formerly known as "FTSE/Xinhua China 25 Index") with effect on and from 22 September 2014. Please note that all the performance information of the Index presented above is that of the FTSE China 50 Index though it is before 2014.
- HS FCI50 ETF launch date: 2005.

## Is there any guarantee?

The HS FCI50 ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the HS FCI50 ETF on SEHK

| Fee | What you pay |
|---|---|
| Brokerage Fee | Market rates |
| SFC Transaction Levy | 0.0027%[1] |
| Accounting and Financial Reporting Council ("AFRC") Transaction Levy | 0.00015%[2] |
| SEHK Trading Fee | 0.00565%[3] |

| | |
|---|---|
| Stamp Duty | Nil |

[1] SFC Transaction Levy of 0.0027% of the trading price of the Units is payable by each of the buyer and the seller.
[2] AFRC transaction levy of 0.00015% of the trading price of the Units is payable by each of the buyer and the seller.
[3] SEHK Trading Fee of 0.00565% of the trading price of the Units is payable by each of the buyer and the seller.

### Ongoing fees payable by the HS FCI50 ETF

The following expenses will be paid out of the HS FCI50 ETF. They affect you because they reduce the Net Asset Value of the HS FCI50 ETF which may affect the trading price.

| Fee | Annual rate (as a % of the Net Asset Value of the HS FCI50 ETF) |
|---|---|
| Management Fee^ | 0.55% per annum |
| Trustee Fee^ | 0.045% per annum |
| Performance Fee | Nil |
| Administration Fee | Nil |

^ Please note that the annual rate stated is the rate charged currently as specified in the Hong Kong Offering Document of the HS FCI50 ETF. It may be increased up to a permitted maximum rate as set out in the Hong Kong Offering Document of the HS FCI50 ETF by giving 1 month's prior notice to relevant Unitholders.

### Other fees

You may have to pay other fees when dealing in the Units of the HS FCI50 ETF.

## Additional Information

You can find the following information of the HS FCI50 ETF at the website at www.hangseninvestment.com▲ (this website has not been reviewed by the SFC):

- The Hong Kong Offering Document (including this Product Key Facts Statement) in respect of the HS FCI50 ETF, as may be updated from time to time
- The latest annual audited and interim unaudited financial reports of the HS FCI50 ETF
- The last Net Asset Value in HKD and the last Net Asset Value per Unit in HKD (updated on a daily basis)
- The near real-time indicative Net Asset Value per Unit (updated every 15 seconds during the SEHK trading hours throughout each Dealing Day) in HKD
- Any notices relating to material changes to the HS FCI50 ETF which may have an impact on its investors, such as material alterations or additions to the Hong Kong Offering Document or the HS FCI50 ETF's constitutive documents
- Any public announcements made by the HS FCI50 ETF, including information with regard to the HS FCI50 ETF and the Index, notice of suspension of creation and redemption of Units, suspension of the calculation of the Net Asset Value, changes in fees and suspension and resumption of trading
- The latest list of Participating Dealers and market makers
- The full holdings of the HS FCI50 ETF (updated on a daily basis)
- The ongoing charges figure and the past performance information of the HS FCI50 ETF
- The annual tracking difference and tracking error of the HS FCI50 ETF
- The compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital), if any, for a rolling 12-month period

The trading information (including the last Net Asset Value per Unit) and the latest list of market makers of the HS FCI50 ETF are also available at www.hkex.com.hk▲.

**Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

▲ This website has not been reviewed by the SFC.

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