PRODUCT KEY FACTS

Huatai-PCG Public Open-ended Fund Company

Huatai-PCG HKEX KRX Semiconductor Index ETF

September 2026

Issuer: Huatai-PCG Asset Management Limited

- *This is a passive exchange traded fund.*
- *This statement provides you with key information about this product.*
- *This statement is a part of the Prospectus.*
- *You should not invest in this product based on this statement alone.*

Quick facts

Stock codes:	03569
Trading lot size:	100 Shares
Fund Manager:	Huatai-PCG Asset Management Limited
Custodian:	HSBC Institutional Trust Services (Asia) Limited
Ongoing charges over a year*:	1.8%
Estimated annual tracking difference#	-2%
Index:	HKEX KRX Semiconductor Index (net total return)
Base currency:	Hong Kong Dollars (HKD)
Trading currency:	Hong Kong dollars (HKD)
Dividend Policy:	Annually (usually in December of each year) at the Manager's discretion. The Manager has discretion as to whether or not the Sub Fund will make any distribution of dividends, the frequency of distribution and amount of dividends. There is no guarantee of regular distribution nor, where distribution is made, the amount being distributed. Dividends may be paid out of capital or effectively out of capital of the relevant Class and may result in an immediate reduction of the net asset value ("**NAV**") per share of the Sub-Fund.
Financial year end:	31 December
Website:	www.huatai-pb.com.hk (This website has not been reviewed by the SFC)

* This is only an estimate because the Sub-Fund is newly established. It represents the estimated ongoing expenses chargeable to the Sub-Fund over a 12-month period expressed as a percentage of the estimated average NAV of the Sub-Fund over the same period. This figure may vary from year to year. The actual figure may be different from the estimated figure. The ongoing charges figure does not include the swap fees as discussed herein.

This is an estimated annual tracking difference as the Sub-Fund is newly set up. Investors should refer to the website of the Sub-Fund for more up-to-date information on actual tracking difference.

What is this product?

Huatai-PCG HKEX KRX Semiconductor Index ETF (the "**Sub-Fund**") is a sub-fund of Huatai-PCG Public Open-ended Fund Company ("**Company**"), which is a public umbrella open-ended fund company established under Hong Kong law with variable capital with limited liability and segregated liability between sub-funds registered and incorporated under Part IVA of the Securities and Futures Ordinance (Cap. 571). The Sub-Fund is a passively managed index exchange traded fund under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds (the "**Code**").

The Shares of the Sub-Fund are listed on The Stock Exchange of Hong Kong Limited (the "SEHK") and are traded on the SEHK like listed stocks.

Objective and Investment Strategy

Investment Objective

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the HKEX KRX Semiconductor Index (net total return version) (the "**Index**"). There is no assurance that the Sub-Fund will achieve its investment objective.

Investment Strategy

Full replication strategy

In order to achieve the investment objective of the Sub-Fund, the Manager primarily adopts a full replication strategy by directly investing all, or substantially all, of the assets of the Sub-Fund in the securities constituting the Index ("**Index Securities**") in substantially the same weightings (i.e. proportions) as these Index Securities have in the Index.

The Manager may also adopt a combination of physical representative sampling and synthetic representative sampling strategy where the Manager considers appropriate in its absolute discretion. The Sub-Fund will (i) use a physical representative sampling strategy by investing 50% to 100% of its NAV in Index Securities; and (ii) where the Manager believes such investments are beneficial to the Sub-Fund and will help the Sub-Fund achieve its investment objective, use a synthetic representative sampling strategy as an ancillary strategy by investing up to 50% of its NAV in financial derivative instruments ("**FDIs**"), which will only be funded total return swaps with one or more counterparties. The Sub-Fund may switch between the full replication strategy and the representative sampling strategy in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the Sub-Fund by tracking the index as closely as possible for the benefit of investors without prior notice to investors.

Physical representative sampling strategy

The Sub-Fund uses a physical representative sampling strategy by investing 50% to 100% of its NAV in Index Securities. The Sub-fund may invest up to 100% of its NAV directly in equity securities listed on the SEHK and the Korea Exchange, Inc. ("**KRX**").

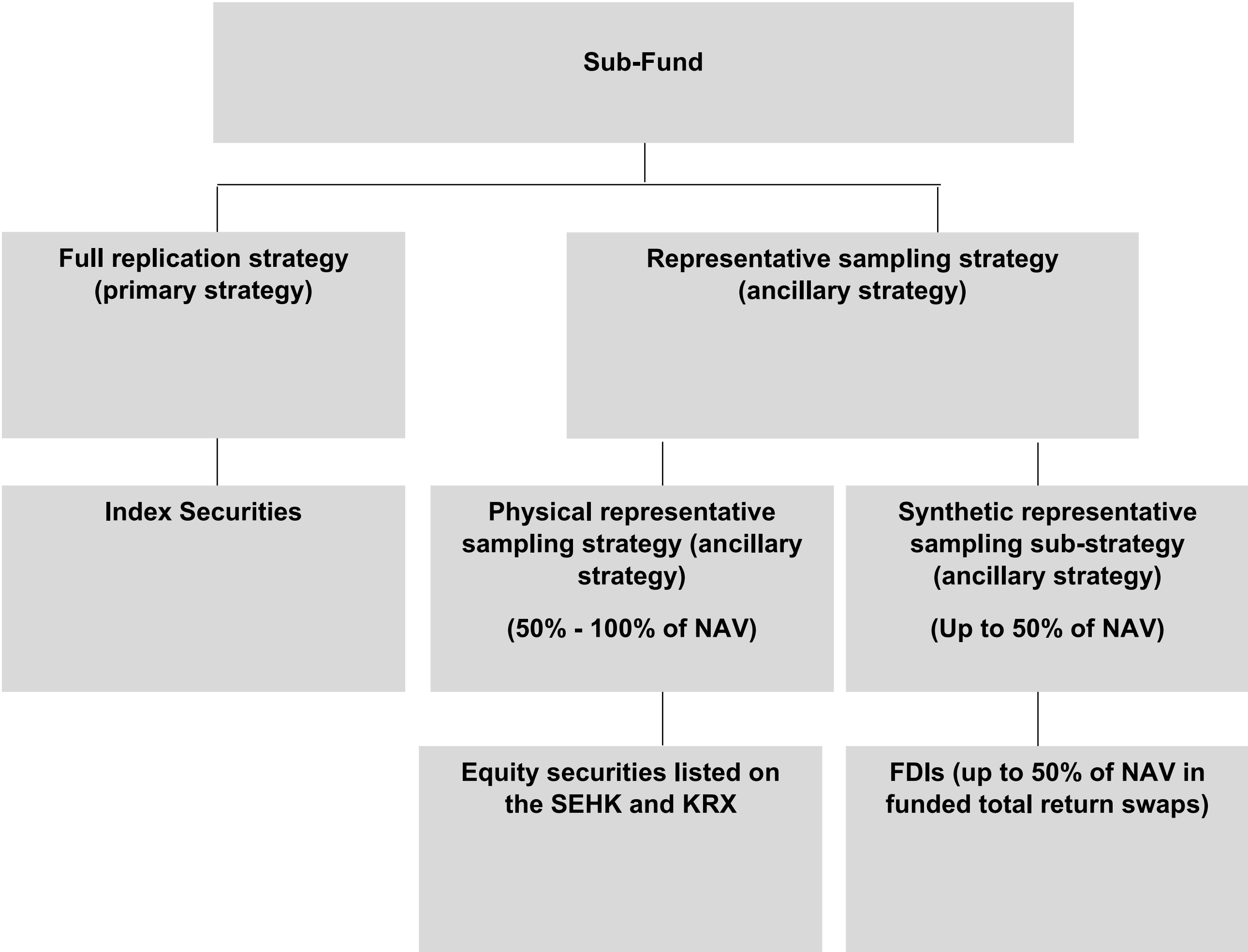
Synthetic representative sampling strategy

The Sub-Fund’s synthetic representative sampling sub-strategy will involve investing up to 50% of its NAV in FDIs, which will only be direct investment of FDIs funded by total return swap transaction(s). The Manager will only use a synthetic representative sampling sub-strategy when they consider that such investments are beneficial to the Sub-Fund.

For investment in funded total return swap transaction(s), the Sub-Fund will pass on the relevant portion of cash to the swap counterparty(ies) and in return the swap counterparty(ies) will provide the Sub-Fund with an exposure to the economic gain/loss in the performance of the Index Securities (net of transaction costs). The Sub-Fund shall bear the swap fees (including the brokerage commission and any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps) and hence, may have an adverse impact on the NAV of the Sub-Fund and result in higher tracking error. The swap fees, which include all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis, represent a variable spread (which can be positive or negative) plus HIBOR or SOFR which reflects the brokerage commission and the swap counterparty’s costs of financing the underlying hedge in order to provide the performance. Swap fees are accrued daily and spread out over the month. In extreme market conditions and exceptional circumstances, the brokerage commission and costs associated with hedging arrangement may increase significantly and in return increase the swap fee. The maximum unwinding fee payable by the Sub-Fund is 0.5% per transaction on the notional amount of the swap unwound. The swap fees will be disclosed in the interim and annual financial reports of the Sub-Fund.

Exposure of the Sub-Fund to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Index. The Manager may cause the Sub-Fund to deviate from the index weighting on condition that the maximum deviation from the index weighting of any constituent will not exceed 3% or such other percentage as determined by the Manager after consultation with the SFC.

The diagram below shows the investment strategies of the Sub-Fund:



<u>Securities lending transactions</u>

The Manager may, on behalf of the Sub-Fund, enter into securities lending transactions with the maximum level for up to 50% of the Sub-Fund's NAV and expected level for approximately 20% of the Sub-Fund's NAV. The Sub-Fund is able to recall the securities lent out at any time. As part of the securities lending transactions, the Sub-Fund must receive cash and/or non-cash collateral of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included) valued on a daily basis. The collateral will be carried out in the best interest of the Sub-Fund and safekept by the Custodian or an agent appointed by the Custodian. Non-cash collateral received may not be sold, reinvested or pledged. Any reinvestment of the cash collateral received shall be subject to the requirements as set out in the Code.

Currently, the Sub-Fund will not enter into sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions. The Manager will seek the prior approval of the SFC (if required), and provide at least one month's prior notice to Shareholders before the Manager engages in any such investments.

Other investments

The Sub-Fund may also invest not more than 10% of its NAV in cash and cash equivalents including money market funds which are authorised under Chapter 8.2 of the Code or eligible schemes under Chapter 7.11A of the Code for cash management purposes. No more than 30% of the Sub-Fund's NAV may be invested in collective investment schemes ("**CIS**") which have high correlation with the underlying index and are authorised by the SFC in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the Sub-Fund's investment in the money market funds mentioned at the beginning of this paragraph is not subject to this limit. Any investments in exchange traded funds will be considered and treated as CIS for the purposes of and subject to the requirements in Chapter 7.11A and 7.11B of the Code.

Index

The Index is designed to measure the performance of semiconductor-related companies listed in Hong Kong that are eligible for Southbound Stock Connect, together with all constituent securities of the KRX Semiconductor Top 15 Index. The Index serves as a cross-market benchmark that integrates relevant market connectivity mechanisms and is designed to align with the requirements of ETF Connect. The Index is a free-float adjusted market capitalisation weighted with 30 constituents.

For the Hong Kong-listed component, companies are selected from the top 15 Semiconductors-related securities (i.e. companies under sub-sectors "Semiconductor Manufacturing" and "Semiconductor Equipment and Services" under the Revere Business Industry Classification System ("**RBICS**")) with the highest market capitalisation will be selected as Index constituents. If fewer than 15 Semiconductors-related securities are available, additional securities (i.e. companies under sub-sectors "Electronic Components", "Communications Equipment" and "Computer Hardware and Storage" under the RBICS) (the "**Supplementary Constituents**") with the highest market capitalisation will then be added until the number of constituents reaches 15.

For the Korea-listed component, it includes all 15 securities which are constituents of the KRX Semiconductor Top 15 Index. The KRX Semiconductor Top 15 Index includes securities listed on the KOSPI or KOSDAQ market and classified under the Global Industry Classification Standard in the semiconductors & semiconductor equipment (4530) sector.

The Index is calculated as a weighted blend of the two components: (i) Hong Kong-listed constituents, with a weight of 62%; and (ii) Korea-listed constituents, with a weight of 38%.

The Index is reviewed semi-annually after market close on the second Friday of June and December. Index recapping and rebalancing is conducted quarterly in March, June, September and December after market close on the second Friday of the month. At each rebalancing, (i) each Hong Kong-listed semiconductor-related constituent and each constituent of the Korea-listed component is subject to a maximum weight of 12%; and (ii) each Hong Kong-listed Supplementary Constituent is subject to a maximum weight of 3%.

The Index is a net total return index which means that the performance of the Index constituents is calculated on the basis that any dividends or distributions are reinvested after withholding tax deduction (if any). The Index is denominated and quoted in HKD. The Index was launched on 31 March 2026. The base date for the Index was 31 December 2020 with a base level of 10,000 as of the base date.

As at 15 June 2026, the total market capitalisation of the Index is HK$21.97 trillion.

The Index is a co-branded index and jointly developed by the HKEX and KRX (the "**Index Providers**"). Solactive AG is the calculation agent of the Index ("**Index Calculation Agent**"). The Manager and its connected persons are independent of the Index Providers and the Index Calculation Agent.

The last closing index level and additional information of the Index including important news, the index methodology and the list of constituents and their respective weightings can be obtained from the website of the benchmark administrator at https://www.hkex.com.hk/Services/Market-Data-Services/Index-Services/KRX-Semiconductor?sc_lang=en#&product=HKEXKRXS or at the website of the manager at www.huatai-pb.com.hk*.

Vendor code
Bloomberg: HKEXKRXN
Refinitiv Code: HKEXKRXN

** Investors should note that the aforesaid website and contents of which have not been reviewed by the SFC.*

Use of derivatives / Investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's NAV.

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risk factors.

1. *General investment risks*

- The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal. There is no assurance that the Sub-Fund will achieve its investment objective.

2. Equity market risk

- The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

3. New index risk

- The Index is a new index which was launched on 31 March 2026 and has limited operating history by which investors can evaluate its previous performance. There can be no assurance as to the performance of the Index. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

4. Semiconductor industry risk

- The Sub-Fund invests in companies in the semiconductor and semiconductor-related industries, which may particularly be affected by the intense competition in such industries. Specific factors which may cause the value of securities within the semiconductor sector and related industries to deteriorate include, but are not limited to, domestic and international competition pressures, rapid obsolescence of products caused by fast-developing nature of the industry, economic performance of customers, substantial capital expenditures, rapid obsolescence and potential shortages of raw materials or equipment. Companies in the semiconductor and related industries typically make significant spending on research and development, and there is no guarantee that the products produced by these companies will materialise into commercially successful products.
- The semiconductor and semiconductor-related industries may be subject to government intervention, sanctions and trade protectionism. Companies in the semiconductor and related industries are typically dependent on maintaining relationships with their technology partners. If such relationship is impaired or terminated, the company may not be able to enter into a new technology alliance on a timely basis or on commercially favourable terms. The semiconductor and related industries are also characterised by cyclical market patterns and periodic overcapacity. All these could harm the business and operating results of semiconductor and related companies.

5. Korea market risk

- Investors should be aware of the potential market risks associated with trading in the Korean market, particularly the impact of circuit breakers and daily price limits. The Korean stock exchange has mechanisms such as circuit breakers or daily limit up/down rules that may have possibilities to lead to a market halt, resulting in the suspension of trading activities for the day. These interruptions can affect the normal rebalancing process of the Sub-Fund, thereby impacting its ability to achieve the targeted exposure levels. Consequently, this may lead to an increased tracking difference. In extreme scenarios where trading is halted due to these mechanisms, there is a possibility that the returns of the Index could accumulate and reflect in the Sub-Fund on the next normal trading day. Such circumstances can result in significant losses.

6. Concentration risk

- As the Index constituents concentrate in Hong Kong and Korea and in the semiconductor and related industries, the investment of the Sub-Fund may be similarly concentrated. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Sub-Fund is more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Hong Kong and Korea markets as well as the semiconductor and related industries.

7. Risks relating to exposure in mainland China

- The Sub-Fund may invest substantially in Hong Kong listed companies with economic exposure to mainland China. Investments in such companies may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political, policy and economic uncertainties, legal, regulatory and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility, and the value of the Sub-Fund may be more susceptible to adverse events relating to these risks affecting mainland China.

8. Risk associated with small-capitalisation / mid-capitalisation companies

- The stock of small-capitalisation/ mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

9. FDI risk

- The Sub-Fund invests up to 50% of its NAV in FDIs which will be fully funded total return swaps through one or more swap counterparty(ies). As such, the Sub-Fund may suffer significant loss if a swap counterparty fails to perform its obligations, or in case of insolvency or default of the swap counterparty(ies).
- Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

10. Currency risks

- Underlying investments of the Sub-Fund may be denominated in currencies other than its base currency. The NAV of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

11. Securities lending transactions risk

- Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.

12. Passive investments risk

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

13. Tracking error risk

- The Sub-Fund 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 the investment strategy used and/or fees and expenses. The Manager will monitor and seek to manage such risk and minimise tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

14. Trading risk

- Generally, retail investors can only buy or sell Shares on the SEHK. The trading price of Shares on the SEHK is driven by market factors such as the demand and supply of Shares. Therefore, the Shares may trade at a substantial premium or discount to the Sub-Fund’s NAV. As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on the SEHK, investors may pay more than the NAV per Share when buying Shares on the SEHK, and may receive less than the NAV per Share when selling Shares on the SEHK.

15. Trading hours differences risks

- As the stock exchanges on which the Index Securities are listed may be open when the Shares of the Sub-Fund are not priced, the value of the investments in the Sub-Fund’s portfolio may change on days or at time when investors will not be able to purchase or sell the Shares. Differences in trading hours between the stock exchanges on which the Index Securities are listed and the SEHK may also increase the level of premium or discount of the trading price of the Share to its NAV.

16. Index-related risks

- The index may not reflect the full opportunity set within the semiconductor or semiconductor-related industries. The index construction methodology may also contain errors or biases which may negatively affect the performance of the Sub-Fund.

17. Risk of reliance on the Index Calculation Agent

- The Index Calculation Agent calculates and maintains the Index. If the Index Calculation Agent ceases to act as index calculation agent in respect of the Index, the Index Providers may not be able to immediately find a successor index calculation agent with the requisite expertise or resources and any new appointment may not be on equivalent terms or of similar quality. There is a risk that the operations of the Index may be disrupted which may adversely affect the operations and performance of the Sub-Fund.

18. Reliance on market maker(s) 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 Shares 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 Shares may be adversely affected if there is no or only one market maker for the Shares. There is also no guarantee that any market making activity will be effective.

19. Termination risks

- The Sub-Fund may be terminated early under certain circumstances, for example, where the Index is no longer available for benchmarking, the licence agreement is terminated by the index provider or if the size of the Sub-Fund falls below a predetermined threshold as set out in the constitutive documents and offering documents. Investors may not be able to recover their investments and suffer a loss when the Sub-Fund is terminated.

20. Distributions paid out of capital or effectively out of capital risk

- Payments of distributions 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 such distributions may result in an immediate reduction in the NAV per Share of the Sub-Fund and will reduce the capital available for future.

How has the Sub-Fund performed?

There is insufficient data to provide a useful indication of past performance to investors as the Sub-Fund is newly established for less than a full calendar year.

Is there any guarantee?

The Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges incurred when trading the Sub-Fund on the SEHK

You may have to pay the following fees when dealing in the Shares of the Sub-Fund.

Fee	**What you pay**
Brokerage fee	Market rates
Transaction levy	0.0027% of the trading price of the Shares[1]
Accounting and Financial Reporting Council ("**AFRC**") transaction levy	0.00015% of the trading price of the Shares[2]
SEHK trading fee	0.00565% of the trading price of the Shares[3]
Stamp duty	Nil

1 Transaction levy of 0.0027% of the trading price of the Shares, payable by each of the buyer and the seller.
2 AFRC transaction levy of 0.00015% of the trading price of the Shares, payable by each of the buyer and the seller.
3 SEHK trading fee of 0.00565% of the trading price of the Shares, payable by each of the buyer and the seller.

Ongoing fees payable by the Sub-Fund

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the NAV of the Sub-Fund which may affect the trading price.

	Annual rate (current rates)
Management fee*	0.99% p.a. of the Sub-Fund's NAV
Custodian fee and administration fee*	Included in the Management fee
Performance fee	Nil

* *Please note that some fees may be increased up to a permitted maximum amount by providing one month's prior notice to Shareholders. Please refer to the section headed "Fees and Expenses" in the Prospectus for further details of the fees and charges payable and the permitted maximum of such fee allowed, as well as other ongoing expenses that may be borne by the Sub-Fund.*

Other fees

You may have to pay other fees when dealing in the Shares of the Sub-Fund. Please refer to the Prospectus for further details.

Additional information

The Manager will publish important news and information in respect of the Sub-Fund, in both English and Chinese languages (unless otherwise specified), on the Manager's website at www.huatai-pb.com.hk*, including:

- the Prospectus and this Product Key Facts Statement (as amended and supplemented from time to time);
- the latest annual audited financial reports and semi-annual unaudited financial reports of the Sub-Fund (in English only);
- any public announcements made by the Sub-Fund, including information in relation to the Sub-Fund and the Index, notices of suspension of the creation and redemption of Shares, suspension of the calculation of the NAV, changes in fees and suspension and resumption of trading in Shares;
- any notices relating to material changes to the Sub-Fund which may have an impact on its investors such as material alterations or additions to the offering documents and constitutive documents of the Sub-Fund;
- the last NAV in the Sub-Fund's base currency (HKD) and the last NAV per Share of its trading currency (HKD);
- the near real time indicative NAV per Share in its trading currency (HKD) (updated every 15 seconds during SEHK trading hours throughout each dealing day);
- the past performance information of each share class of the Sub-Fund;
- the annual tracking difference and tracking error of the Sub-Fund;
- the latest list of participating dealers and market makers;

- full portfolio information of the Sub-Fund (updated on a daily basis);
- the composition of distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital), if any, for the last 12 months.

** Investors should note that the aforesaid Manager's website has not been reviewed by the SFC.*

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. SFC registration and authorisation do not represent a recommendation or endorsement of the Company or the Sub-Fund nor do they guarantee the commercial merits of the Company or the Sub-Fund or its performance. They do not mean the Company or the Sub-Fund is suitable for all investors nor do they represent an endorsement of its suitability for any particular investor or class of investors.