**IMPORTANT:**

This document is important and requires your immediate attention. If you are in doubt about the contents of this document, you should seek independent professional financial advice.

The Stock Exchange of Hong Kong Limited, Hong Kong Exchanges and Clearing Limited, Hong Kong Securities Clearing Company Limited and the Securities and Futures Commission (the "**SFC**") take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Investors should note that all investments involve risks (including the possibility of loss of the capital invested), prices of Shares may go up as well as down and past performance is not indicative of future performance. Investors should read the Prospectus (including the Product Key Facts Statements (the "**KFS**") of the Sub-Fund and the full text of the risk factors stated therein) in detail before making any investment decision.

SFC authorisation is not a recommendation or endorsement of the Company (as defined below) or the Sub-Fund (as defined below) nor does it guarantee the commercial merits of the Company or the Sub-Fund or its performance. It does not mean the Company or the Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

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.

# CMSAM(HK) Funds Series 1 OFC

*(a Hong Kong public umbrella open-ended fund company with variable capital, limited liability and segregated liability between sub-funds and authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong)*

(the "**Company**")

# CMS Hang Seng Tech Index ETF

*Stock Code: 3423*

(the "**Sub-Fund**")

## Announcement

## Change of Underlying Index, appointment of the Sub-Manager of the Sub-Fund, and change of name and stock short name, investment strategy, definition of "business day", Valuation Point, Dealing Deadline, and Trading Board Lot Size of the Sub-Fund

## Change of Director of the Manager

Capitalised terms used herein but not otherwise defined shall have the same meanings as defined in the prospectus (the "**Prospectus**") of the Company and the Sub-Fund dated 30 April 2026, as amended and supplemented from time to time.

Investors should exercise caution in dealing with the Shares of the Sub-Fund.

CMS Asset Management (HK) Co., Limited (the "**Manager**"), the manager of the Company and the Sub-Fund, hereby announces that the following changes (the "**Changes**") will be made to the Company and the Sub-Fund from 7 December 2026 (the "**Effective Date**"):

## 1. Change of the Underlying Index of the Sub-Fund

With effect from the Effective Date, the Underlying Index of the Sub-Fund will change from Hang Seng TECH Index (the "**Existing Index**") to Hang Seng TECH & US Semiconductors Index (the "**New Index**"). This change will commence from the start of trading on the Effective Date. The rebalancing to the constituents of the New Index is anticipated to take place over a period of 5 trading days starting on the Effective Date. Please refer to sub-section B below for more information on the rebalancing process.

A. Information about the New Index and comparison between the Existing Index and the New Index

Please refer to Appendix 1 to this announcement for a summary of information about the New Index. Set out below is a comparison of the key features of the Existing Index and the New Index:

| | **The Existing Index** | **The New Index** |
|---|---|---|
| **Index Name** | Hang Seng TECH Index | Hang Seng TECH & US Semiconductors Index |
| **Index Code** | HSTECHN | HSTUSSN |
| **Index Provider** | Hang Seng Indexes Company Limited | Hang Seng Indexes Company Limited |
| **Index methodology** | General information<br><br>The objective of the Existing Index is to represent the 30 largest technology companies listed in Hong Kong which have high business exposure to selected technology themes, including internet (including mobile), fintech, cloud, e-commerce, digital or autonomous activities.<br><br>The Existing Index adopts a free float-adjusted market capitalisation weighted methodology with a 8% cap on individual non-foreign companies constituent, 4% cap on individual foreign companies constituent and 10% cap on aggregate foreign companies constituents.<br><br>Index universe<br><br>The universe of securities of the Existing Index includes securities of companies listed on the Main Board of | General information<br><br>The objective of the New Index is to reflect the performance of Hong Kong technology leaders and large US-listed companies that are engaged in the value chain of semiconductors.<br><br>The New Index adopts a free float-adjusted market capitalisation weighted methodology with a 10% cap on individual constituent weight. The aggregate weight of the HK-listed securities and the US-listed securities will be reset to 65% and 35%, respectively, at the quarterly rebalancing.<br><br>Index universe<br><br>The universe of securities of the New Index includes: |

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| | the SEHK, but excludes secondary-listed Foreign Companies and investment companies listed under Chapter 21 of the SEHK's Main Board Listing Rules.<br><br>"**Foreign Companies**" are companies which are (i) incorporated outside Hong Kong; (ii) non-Mainland China companies (i.e. non-H-shares, non-Red-chips and non-P-chips companies); or (iii) companies with history, headquarters, management and a principal place of business outside Hong Kong, Macau, Mainland China, or Taiwan.<br><br><u>Eligibility criteria</u><br><br>The universe of securities of the Existing Index needs to satisfy turnover requirements, sector requirements, theme requirements and innovation screening.<br><br>(A) Turnover requirements – Velocity Test for Tradable Indexes<br><br>A security is regarded as passing the monthly turnover test if it attains a minimum velocity of 0.1% in that month.<br><br>(B) Sector Requirements<br><br>The constituent should be classified in one of the following industries in the Hang Seng Industry Classification System: Industrials, Consumer Discretionary, Healthcare, Financials, Information Technology.<br><br>(C) Theme Requirements<br><br>The constituent should have high business exposure to at least one of the below technology themes: Internet (including Mobile), FinTech, Cloud, E-commerce, Digital., or autonomous.<br><br>(D) Innovation Screening<br><br>The constituent should meet at least one of the below criteria: | (1) constituents of the Hang Seng TECH Index ("**Base Index**"); and<br><br>(2) common stocks and American Depository Receipts listed on New York Stock Exchange or NASDAQ, excluding share classes without voting rights.<br><br><u>Eligibility criteria</u><br><br>The turnover requirements are only applicable for U.S. listed securities, in which 6-month average daily turnover shall be larger or equal to USD 3 million.<br><br>The sector requirements are also only appliable for U.S. listed securities, in which the following sector in the Hang Seng Industry Classification System shall be eligible:<br><br>**Code** \| **Sector**<br>7030 \| Semiconductors<br><br>There is no theme requirements or innovation screenings. |

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| | • Technology-enabled business (e.g. via internet/ mobile platform); or<br>• Research & Development Expense to Revenue Ratio >=5%; or<br>• YoY Revenue Growth >=10%. ("YoY Revenue Growth" refers to the year-on-year growth in a company's total revenue.)<br><br>The requirements under (B) to (D) are reviewed at least annually.<br><br><u>Selection Criteria</u><br><br>The top 30 securities with the highest MV Rank will be selected as constituents.<br><br>The market value ("**MV**") of eligible securities will be used for ranking. It does not include other listed share classes of the same company.<br><br>The MV of a security refers to the average market value of the past 12 month-ends of any review period. For securities with a listing history of less than 12 months, the MV refers to the average of the past month-ends since the securities listed. The MV will be sorted in descending order to get the MV Rank.<br><br><u>Buffer Zone</u><br><br>Existing constituents ranked lower than 36th will be removed from the Underlying Index, while non-constituents ranked 24th or above will be included.<br><br>Securities will be added or excluded according to their MV Rank to maintain the number of constituents at 30.<br><br><u>Rebalance and review</u> | <u>Selection Criteria</u><br><br>HK-listed securities: All constituents from the Base Index that are eligible under the Southbound Stock Connect will be selected as constituents.<br><br>US-listed securities: Top 10 eligible securities with the highest Company MV Rank will be selected.<br><br>The total market value of all classes of shares (including unlisted portion) of eligible companies will be used for ranking. The Company MV refers to the average total daily market value of the past 12 months of any review period. The Company MV will be sorted in descending order to get the Company MV Rank.<br><br><u>Buffer Zone</u><br><br>(i) HK-listed securities: Buffer Zone is not applicable.<br><br>(ii) US-listed securities: Existing constituents ranked lower than 12th will be removed from the Index, while non-constituents ranked 8th or above will be included; Securities will be added or excluded according to their Company MV Rank to maintain the number of US-listed constituents at 10.<br><br><u>Rebalance and review</u><br><br>The New Index is reviewed and rebalanced quarterly with data cut-off |

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| | The Existing Index is reviewed and rebalanced quarterly with data cut-off dates of end of March, June, September and December each year.<br><br><br><br><br><br><br><br><br><br><u>Fast Entry</u><br><br>A newly listed security will be added to index if its full market capitalisation ranks within the top 10 of the existing constituents on its first trading day.<br><br>The ad hoc addition will normally be implemented after the close of the 10th trading day of the new issue.<br><br><u>Replacement for ad-hoc removal</u><br><br>The outgoing constituent will be replaced by the highest ranked candidate from last regular review.<br><br><br><br><br><br><br><u>Other information</u><br><br>The Existing Index was launched on 27 July 2020 with a base date of 31 December 2014 and a base value of 3,000 in Hong Kong Dollars. The Existing Index is disseminated in real-time at every two seconds under vendor codes including Refinitiv (.HSTECHN), Bloomberg (HSTECHN), and WIND (HSTECHN.HI). | dates of end of March, June, September and December each year.<br><br>Ad-hoc rebalancing will be performed in March and September, if the aggregate weight of the US-listed constituents exceeds 35% on the 3rd trading day prior to the last index calculation day in March and September.<br><br><u>Fast Entry</u><br><br>HK-listed securities: Any ad hoc constituent changes will follow changes made to the Base Index, subject to the Stock Connect eligibility screening.<br><br>US-listed securities: Not applicable.<br><br><u>Replacement for ad-hoc removal</u><br><br>HK-listed securities: Any ad hoc constituent changes will follow changes made to the Base Index, subject to the Stock Connect eligibility screening.<br><br>US-listed securities: The outgoing constituent will be replaced by the highest ranked candidate from last regular review.<br><br><u>Other information</u><br><br>The New Index was launched on 17 July 2023 with a base date of 31 December 2020 and a base value of 3,000 in Hong Kong Dollars. The New Index is disseminated in real-time at every two seconds during Hong Kong trading hours, with the closing index refreshed after the U.S. market close, and is calculated on each trading day of the Hong Kong or U.S. stock markets under vendor codes including Refinitiv (.HSTUSSN) and Bloomberg (HSTUSSN). |
| **Number of constituents** | 30 | 33 |
| **Market Capitalisation**<br>(free float adjusted) | HKD 3,342 billion<br>(As of 30 June 2026) | HKD 5,653 billion<br>(As of 30 June 2026) |

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|---|---|---|---|---|---|---|---|---|---|
| **Top 5 Constituent Weighting** | Code | Name | Listing | % Wgt | | Code | Name | Listing | % Wgt |
| | 0981 | SMIC | HK | 10.15 | | NVDA | NVIDIA | US | 10.16 |
| | 9999 | NTES - S | HK | 9.53 | | 0700 | TENCENT | HK | 10.09 |
| | 0700 | TENCENT | HK | 8.30 | | TSM | TSM Co., Ltd. | US | 8.37 |
| | 3690 | MEITUAN - W | HK | 7.45 | | 9988 | BABA - W | HK | 8.02 |
| | 1211 | BYD COMPANY | HK | 6.97 | | 1810 | XIAOMI - W | HK | 6.95 |

*Date as at 30 June 2026*

*Reasons for the change of the Underlying Index*

The Manager believes that the change of the Underlying Index will enable the Sub-Fund to capture the complementary characteristics of the Hong Kong technology and US semiconductor sectors through cross-market allocation. According to the most updated constituents of the New Index, US-listed constituents constitutes close to 35% of the New Index. The New Index covers both the Hang Seng Tech Index constituents and leading US semiconductor companies, offering typical representation of the technology industry across the Hong Kong and US markets. At the same time, the New Index remains a technology-focused index, and the investment scopes of the two indices are correlated. Accordingly, the Manager considers the New Index to be a suitable replacement for the Existing Index.

Investors should note that there is no guarantee of (i) the correlation of the two Underlying Indices in future and (ii) the return of the Sub-Fund after the change of the Underlying Index.

B. Rebalancing process

As a result of the change of the Underlying Index, the rebalancing of assets held by the Sub-Fund from constituents of the Existing Index to constituents of the New Index will commence on the Effective Date and is anticipated to take place over a period of 5 trading days, ending on 11 December 2026 at the latest (the "**Rebalancing Period**").

During the Rebalancing Period, the tracking error and tracking difference of the Sub-Fund may be higher than its historical level. Investors should note that after the Rebalancing Period, there is no guarantee that the tracking error and tracking difference of the Sub-Fund will be similar to that before the change in Underlying Index. Furthermore, although there is a certain degree of correlation between the Existing Index and New Index, the Manager considers there is a risk that the tracking error and tracking difference of the Sub-Fund during the Rebalancing Period may increase. Investors who deal with shares of the Sub-Fund during the Rebalancing Period should exercise caution.

The Manager does not expect that the rebalancing will have any material impact on the market.

Please refer to Appendix 2 for risks involved during the Rebalancing Period.

C. Risks factors

As mentioned above, there may be risks involved during the Rebalancing Period. There are also risks involved in relation to the change in Underlying Index in general, and specifically to the New Index. Please refer to Appendix 2 to this announcement for potential risk factors.

**2. Appointment of the Sub-Manager of the Sub-Fund**

With effect from the Effective Date, Value Partners Hong Kong Limited (the "**Sub-Manager**") will be appointed by the Manager at the expense of the Manager as the sub-manager of the Sub-Fund pursuant to a sub-management agreement to be entered into between them, subject to the overall supervision of the Manager. The Manager will be ultimately responsible for the overall investment portfolio management of the Sub-Fund.

The Manager and the Sub-Manager will establish and will maintain an investment committee known as the "CMS-VP Investment Committee" in respect of the Sub-Fund, which shall operate in accordance with such terms of reference, processes, procedures and guidelines as may be agreed between the Manager and the Sub-Manager from time to time, including regarding investment strategy, investment and borrowing restrictions and risks associated with the Sub-Fund, which will take effect from the Effective Date.

The Sub-Manager was incorporated in Hong Kong on 10 May 1999 and commenced its current operations in January 2008. It is licensed by the SFC for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities under the SFO with CE number AFJ002. The Manager and the Sub-Manager do not currently belong to the same fund management group.

The Sub-Manager will be reimbursed out of the Manager's management fee and there is no separate fee payable by a Sub-Fund to the Sub-Manager.

*Reasons for the appointment of the Sub-Manager of the Sub-Fund*

The Manager appointed the Sub-Manager for the following reasons:

A. Investment Expertise in Global and US Equity Markets

Given that the New Index incorporates a 35% allocation to US-listed semiconductor companies, the Sub-Manager's extensive experience in global equity markets — including US equities — makes it well-positioned to manage the expanded investment universe of the Sub-Fund. Its experienced investment team and fully prepared infrastructure will enhance the Sub-Fund's ability to closely track the underlying index.

B. Established Track Record and Institutional Standing

The Sub-Manager is a wholly-owned subsidiary of Value Partners Group, which is one of Asia's largest independent asset management firms, established in 1993 and listed on the Main Board of the Hong Kong Stock Exchange since 2007 (stock code: 806 HK). It manages approximately US$6.2 billion in assets (as of 31 December 2025) and has a team of over 40 investment professionals focused on Greater China and Asia investments.

C. Distribution Capabilities

The Sub-Manager has an established distribution network in Hong Kong and Chinese Mainland, which the Manager believes will contribute meaningfully to the growth of the Sub-Fund's assets under management over time.

## 3. Change of name and stock short name of the Sub-Fund

As a consequence of the change in Underlying Index and the appointment of the Sub-Manager, the name and stock short name of the Sub-Fund will be changed from the Effective Date. The name and stock short name of the Sub-Fund from the Effective Date onwards will be updated as follows:

| | **As at the date of this announcement** | **From the Effective Date onwards** |
|---|---|---|
| **Stock code** | 3423 | 3423 |
| **English name** | CMS Hang Seng Tech Index ETF | CMS VP Hang Seng Tech & US Semiconductors Index ETF |

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|---|---|---|
| **Chinese name** | 招商恒生科技指數 ETF | 招商惠理恒生科技美股半導體指數 ETF |
| **English stock short name** | CMS HS TECH | CMSVP HSTUSSN |
| **Chinese stock short name** | 招商恒生科技 | 招商惠理恒科美半 |

For the avoidance of doubt, there will be no change to the stock code and the ISIN of the Sub-Fund despite of the Changes on the Effective Date.

**4. Change of investment strategy of the Sub-Fund**

From the Effective Date onwards, the investment strategy of the Sub-Fund in relation to the use of derivatives will be updated as follows:

| As at the date of this announcement | From the Effective Date onwards |
|---|---|
| *Use of derivatives*<br><br>The Sub-Fund will not use derivatives for any purposes. | *Use of derivatives*<br><br>The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value. |

The Manager has put in place measures to address the risks relating to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the Sub-Fund will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the Sub-Fund. Please refer to the sub-sections titled "Financial Derivative Instruments" and "Collateral" of the section headed "Investment Objective, Strategy and Restrictions, Securities Lending and Borrowing" in Part 1 of this Prospectus, which sets out the requirements in relation to the use of FDIs and collateral, as well as a summary of the Manager's collateral policy. The risk disclosure in relation to use of FDIs is also enhanced in the Prospectus.

Save for the change of the Underlying Index and the use of derivatives, there will be no other change to the investment objective and strategy, other ancillary investments of the Sub-Fund and Securities Lending Transactions, Sale and Repurchase Transactions, Reverse Repurchase Transactions and other similar over-the-counter transactions of the Sub-Fund.

*Reason for the change of investment strategy*

The Manager believes that the use of derivatives will enhance efficient portfolio management and allow the Manager to maintain greater flexibility for the Sub-Fund by engaging in FDIs. The Manager believes that the flexibility will help the Sub-Fund more efficiently achieve its investment objective and is in the best interest of the investors of the Sub-Fund.

**5. Change of definition of "business day"**

As a consequence of the change in Underlying Index, with effect from the Effective Date, the definition of "business day" for the purpose of the Prospectus will be updated as follows:

| As at the date of this announcement | From the Effective Date onwards |
|---|---|

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|---|---|
| "Business Day" in respect of a Sub-Fund, means, unless the Manager otherwise agrees or otherwise specified in Part 2 of this Prospectus, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which Securities and/or Futures Contracts comprised in the relevant Index or Securities and/or Futures Contracts comprised in the relevant Sub-Fund, as the case may be, are traded is open for normal trading, or if there are more than one such market, the market designated by the Manager is open for normal trading, and (b) (where applicable) the Index is compiled and published, or such other day or days as the Manager and the relevant Custodian may agree from time to time. | "Business Day" in respect of a Sub-Fund, means, unless the Manager otherwise agrees or otherwise specified in Part 2 of this Prospectus, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which Securities and/or Futures Contracts comprised in the relevant Index or Securities and/or Futures Contracts comprised in the relevant Sub-Fund, as the case may be, are traded is open for normal trading, or if there are more than one such market, the market designated by the Manager is open for normal trading, and (b) (where applicable) the Index is compiled and published, or such other day or days as the Manager and the relevant Custodian may agree from time to time; and in respect of CMS VP Hang Seng Tech & US Semiconductors Index ETF only, means, unless the Manager otherwise agrees or otherwise specified in Part 2 of this Prospectus, a day on which (a)(i) each of the SEHK, the New York Stock Exchange and the NASDAQ Stock Exchange is open for normal trading; and (ii) the relevant market on which Securities and/or Futures Contracts comprised in the relevant Index or Securities and/or Futures Contracts comprised in the relevant Sub-Fund, as the case may be, are traded is open for normal trading, or if there are more than one such market, the market designated by the Manager is open for normal trading, and (b) (where applicable) the Index is compiled and published, or such other day or days as the Manager and the relevant Custodian may agree from time to time. |

All references to "Business Day" in the Prospectus should be construed accordingly, including but not limited to the definitions of "Dealing Day" and "Settlement Day". As a result of the change of definition of "Business Day", unless the Manager otherwise agrees or otherwise specified in Part 2 of the Prospectus, any day on which either the New York Stock Exchange or the NASDAQ Stock Exchange is closed will automatically no longer be classified as a "Business Day"; and therefore the dealing frequency of the Shares of the Sub-Fund may decrease with effect from the Effective Date. Participating Dealers and distributors will not be permitted to submit Creation Applications or Redemption Applications on these newly excluded days. Investors should exercise caution in dealing with the Shares of the Sub-Fund.

## 6. Change of Valuation Point of the Sub-Fund

As a consequence of the change in Underlying Index, with effect from the Effective Date, the Valuation Point of the Sub-Fund will be changed as follows:

| As at the date of this announcement | From the Effective Date onwards |
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| Same for both Listed Class of Shares and Unlisted Classes of Shares – approximately 4:10 p.m. (Hong Kong time) on each Dealing Day. | Same for both Listed Class of Shares and Unlisted Classes of Shares – ~~approximately 4:10 p.m. (Hong Kong time) on each Dealing Day~~ the close of business in the last relevant market to close on a relevant Valuation Day or such other time on that day or such other day as the Manager and the Custodian may determine from time to time. |

**7. Change of Dealing Deadline of the Sub-Fund**

With effect from the Effective Date, the Dealing Deadline for a cash Creation Application and Redemption Application of the Listed Class of Shares in the primary market will be changed from 3:30 p.m. to 3:00 p.m. (Hong Kong time) on the relevant Dealing Day.

There is no change to the due time for receipt of cleared funds in respect of cash Creation Application of the Listed Class of Shares, which has been set out in the Operational Guideline which will be shared with the relevant Participating Dealer of the Sub-Fund.

*Reason for the change of dealing deadline of the Sub-Fund*

The Manager believes that the change of Dealing Deadline will enable the Company and the Manager to commence the processing of the Creation Applications and Redemption Applications of the Listed Class of Shares earlier on each Dealing Day, thereby enabling a shorter settlement cycle and providing liquidity to investors of the Listed Class of Shares within a shorter timeframe. The change of Dealing Deadline will not affect trading of Shares of the Sub-Fund on the SEHK and secondary market investors.

**8. Change of Trading Board Lot Size of the Listed Class of Shares of the Sub-Fund**

With effect from the Effective Date, the trading board lot size of the Listed Class of Shares of the Sub-Fund will be increased from 10 Shares to 100 Shares (the "**Board Lot Size Change**"). For the avoidance of doubt, the Instrument does not require Shareholders' approval to effect the Board Lot Size Change. The Custodian has no objection to the Board Lot Size Change.

For the avoidance of doubt, the Application Share size for creation and redemption of Shares by Participating Dealers in the primary market will remain unchanged.

*Reason for the Board Lot Size Change*

The market value of 1 board lot of Shares of the Sub-Fund on or about the date of this announcement, currently at the size of 10 Shares, is considerably lower than that of other exchange traded funds listed on the SEHK generally. The Manager believes that the Board Lot Size Change is in the best interest of the Sub-Fund and Shareholders as a whole, as it will dispense the investors with the need to place orders in a disproportionately large number of board lots, reduce certain application costs in the primary market for the Participating Dealers chargeable based on the number of board lots involved, and with a potential to reduce the pass-through costs to end investors trading in the Listed Class of Shares of the Sub-Fund by narrowing the spread for trading applicable to the Listed Class of Shares of the Sub-Fund.

*Odd Lot Facilitation*

The implementation of the Board Lot Size Change may result in Shareholders in the Listed Class of Shares of the Sub-Fund holding odd lots of the Listed Class of Shares of the Sub-Fund from the Effective Date.

In order to enable odd lot holders of Listed Class of Shares in the Sub-Fund either to dispose of their odd lots of Listed Class of Shares or to round them up to a board lot after the Board Lot Size Change, the Manager has appointed China Merchants Securities(HK) Co., Limited to be available on the SEHK's system for odd lots

trading to provide matching services on a best efforts basis to the Shareholders of the Listed Class of Shares who wish to top up or sell their holdings of odd lots of Listed Class of Shares during the period from 9:00 a.m. on 7 December 2026 (Monday) to 12:00 noon on 24 December 2026 (Thursday), both days inclusive (the "**Facilitation Period**").

Shareholders of the Listed Class of Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Listed Class of Shares during the Facilitation Period is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

Alternatively, Shareholders of the Listed Class of Shares may contact their brokers or financial intermediaries which may provide similar matching services from the Effective Date. Brokers and financial intermediaries may impose additional terms and conditions and earlier cut-off time for such matching services. Shareholders are urged to contact their brokers or financial intermediaries for more information.

*Expected Timetable*

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| Date of announcement | 11 November 2026 (Wednesday) |
| Effective Date of the Board Lot Size Change | 7 December 2026 (Monday) |
| Commencement of the Facilitation Period | 9:00 a.m. on 7 December 2026 (Monday) |
| Deadline of the Facilitation Period | 12:00 noon on 24 December 2026 (Thursday) |

Should there be any changes in the expected timetable for the implementation of the Board Lot Size Change and the Facilitation Period from that set out above, an announcement will be made by the Manager as and when appropriate.

## 9. Impact on the Sub-Fund and the Shareholders

The Changes described in this announcement do not require Shareholders' approval.

The Manager believes that the Changes described in this announcement will not materially prejudice the rights or interests of the existing investors of the Sub-Fund and there will not be any increase in the overall risk profile, except for rebalancing period risk, past performance risk of the Sub-Fund, risks involved in relation to the change in Underlying Index in general, and risks specifically to the New Index, following the implementation of the Changes. Please refer to Appendix 2 to this announcement for potential risk factors. The Manager does not expect a substantive change to the ongoing charges figure and tracking difference figure of the Sub-Fund. The Manager will monitor the ongoing charges and tracking difference and, if necessary, update the figures in the KFS. There will not be any change to the fee level/cost in managing the Sub-Fund and, save as disclosed above, there will be no change in the operation and/or manner in which the Sub-Fund is being managed.

The transaction costs (e.g. brokerage fees, stamp duties, taxes, charges paid to relevant stock exchanges) which may arise in relation to the rebalancing process (as described above under sub-section B of section 1 of this announcement) will be borne by the Sub-Fund and may vary subject to factors including portfolio holdings at the time of the rebalancing, the prevailing liquidity and volatility levels in the market, and the time taken to reposition underlying investments.

Regarding the Board Lot Size Change, for the avoidance of doubt, any brokerage fee/trading fee incurred when trading on the secondary market through stockbrokers or financial intermediaries (including China Merchants Securities (HK) Co., Limited and any other odd lot facilitation agent) will be borne by the Shareholders as per the usual trading arrangements currently in place.

Save for the transaction costs which may arise in relation to the rebalancing process and the brokerage fee/trading fee incurred regarding the Board Lot Size Change as mentioned above, all costs incurred in implementing the Changes will be borne by the Manager and the Sub-Manager.

Shareholders who do not wish to remain invested on or after the Effective Date:

(a) in a Listed Class of Shares of the Sub-Fund may sell their holdings on the SEHK at any time prior to the Effective Date in accordance with the usual trading arrangements during the trading hours of the SEHK. Usual fees payable in respect of dealing in the Listed Class of Shares on the SEHK apply; or

(b) in an Unlisted Class of Shares of the Sub-Fund may redeem their Unlisted Class of Shares free of redemption fee at any time prior to the Effective Date. For the avoidance of doubt, the Unlisted Classes of Shares of the Sub-Fund currently do not charge any redemption fee.

## 10. Change of Director of the Manager

Mr. Chen Ping has been appointed as a director of the Manager with effect from the 26 May 2026.

As at the date of this announcement, the board of directors of the Manager comprises of Ms. Liu Haiyan, Mr. Chen Gong and Mr. Chen Ping.

## 11. General

The Prospectus and the KFS of the Sub-Fund will be updated to reflect the Changes. Should you wish to obtain a copy of the latest Prospectus, please visit the Manager's website at http://www.cmschina.com.hk/AM/FundProduct (this website has not been reviewed by the SFC) or the HKEX's website at www.hkex.com.hk.

The Instrument will be amended and restated in due course to reflect the Changes set forth in sections 2 and 4 of this announcement. The amendment of the Instrument does not require Shareholders' approval pursuant to the Instrument and applicable laws and regulations.

Copies of the amended and restated Instrument will be available in due course for inspection free of charge during normal office hours at the offices of the Manager (please see the address below) and copies thereof may be obtained from the Manager upon the payment of a reasonable fee.

If you have any queries or require further information in relation to this announcement, please contact the Manager at (852) 2530 0698 or at 32/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong.

**CMS Asset Management (HK) Co., Limited**
as Manager of the Company and the Sub-Fund

Date: 11 November 2026

## Appendix 1

## Summary of information about the New Index

The objective of the Hang Seng TECH & US Semiconductors Index is to reflect the performance of Hong Kong technology leaders and large US-listed companies that are engaged in the value chain of semiconductors.

The New Index adopts a free float-adjusted market capitalisation weighted methodology with a 10% cap on individual constituent weight. The aggregate weight of the HK-listed securities and the US-listed securities will be reset to 65% and 35%, respectively, at the quarterly rebalancing. The weighting of a constituent may exceed the cap level after the rebalancing date due to price movement. The New Index is a net total return index which means that the performance of the New Index constituents is calculated on the basis that any dividends or distributions are reinvested after withholding tax deduction (if any).

As of 30 June 2026, it had a total index market capitalisation (free float and capped) of HKD 5,653 billion and 33 constituents.

The New Index was launched on 17 July 2023 and had a base level of 3,000 on 31 December 2020.

The New Index is denominated in HKD.

***Index Provider***

The New Index is compiled and managed by Hang Seng Indexes Company Limited ("HSIL" or the "Index Provider"), a wholly-owned subsidiary of Hang Seng Bank Limited. The Manager, the Sub-Manager (and each of their respective Connected Persons) is independent of HSIL, the Index Provider.

***Constituent Eligibility***

The universe of securities of the New Index includes constituents of the Hang Seng TECH Index ("**Base Index**"), and common stocks and American Depository Receipts listed on New York Stock Exchange or NASDAQ, excluding share classes without voting rights.

A US-listed security is eligible for constituent selection if it fulfils the following eligibility criteria:

(A) Turnover Requirements

6-month average daily turnover larger than or equal to USD 3 million.

(B) Sector Requirements

The constituent should be classified in 7030 – Semiconductors Sector in the Hang Seng Industry Classification System.

***Constituent Selection***

<u>Selection Criteria:</u>

HK-listed securities: All constituents from the Base Index that are eligible under the Southbound Stock Connect will be selected as constituents.

US-listed securities: Top 10 eligible securities with the highest Company MV Rank will be selected.
If the HK-listed securitiy (if any) of an U.S.-listed company/ ADR is selected as constituent, such U.S.-listed security will not be eligible for ranking and inclusion into the Index.

The number of constituents is variable.

Buffer Zone:

HK-listed securities: Buffer Zone is not applicable.

US-listed securities: Existing constituents ranked lower than 12th will be removed from the New Index, while non-constituents ranked 8th or above will be included; Securities will be added or excluded according to their Company MV Rank to maintain the number of US-listed constituents at 10.

***Calculation of New Index***

The formula of gross and net total return indexes ("TRIs") is set out below:

$$Today's\ TRI = \frac{Today's\ Price\ Index\ Market\ Capitalisation}{Yesterday's\ Price\ Index\ Market\ Capitalisation - Cash\ Dividend\ Payment} \times Yesterday's\ TRI$$

The Cash Dividend Payment refers to after-tax net dividends for the calculation of the gross and net TRIs respectively.

***Index Reviews***

HSIL undertakes regular quarterly reviews of the Index Constituents with data cut-off dates of end of March, June, September and December each year.

Ad-hoc rebalancing will be performed in March and September, if the aggregate weight of the US-listed constituents exceeds 35% of on Day T-3 as further explained below:

| | |
|---|---|
| **Day T-3** | Recalculate the allocation factor after index close, so that the aggregate weight of the US-listed constituents will be reset to 35% |
| **Day T-1** | Implement the new allocation factor after index close |
| **Day T** | Effective date, i.e. the last index calculation day in March and September |

Fast Entry:

HK-listed securities: Any ad hoc constituent changes will follow changes made to the Base Index, subject to the Stock Connect eligibility screening

US-listed securities: Not applicable

Replacement for ad-hoc removal:

HK-listed securities: Any ad hoc constituent changes will follow changes made to the Base Index, subject to the Stock Connect eligibility screening

US-listed securities: The outgoing constituent will be replaced by the highest ranked candidate from last regular review

***Index Securities of the New Index***

You can obtain the last closing index level, the most updated list of the Index Constituents with their respective weightings, additional information and other important news of the New Index from the website https://www.hsi.com.hk/eng/indexes/all-indexes/hstuss (the contents of which has not been reviewed by the SFC).

***Index Codes***

Refinitiv: .HSTUSSN

## Appendix 2

## Risk Factors

A. Risk related to the Rebalancing Period

During the Rebalancing Period, which is anticipated to take place over a period of 5 trading days, holdings of the Sub-Fund will be rebalanced from constituents of the Existing Index to constituents of the New Index. Although there is a certain degree of correlation between the Existing Index and New Index, the Manager considers there is a risk that the tracking error and tracking difference of the Sub-Fund during the Rebalancing Period may increase. Investors who deal with Shares of the Sub-Fund during the Rebalancing Period should exercise caution.

B. Past performance risk

As a result of the change in the Underlying Index, past performance of the Sub-Fund prior to the Effective Date is achieved under circumstances which will no longer apply from the Effective Date. Investors should exercise caution when considering the past performance of the Sub-Fund prior to the Effective Date.

C. Geographical concentration risk

The Sub-Fund's investments are concentrated in Hong Kong and the United States. In particular, the Hong Kong-listed Index Securities mainly consist of shares of companies which are domiciled in China and/or have business related to and revenue generated in China. The value of the Sub-Fund may be more volatile than that of a fund having a more geographically diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the markets or regions in which its investments are focused.

D. Foreign exchange risk

The base currency of the Sub-Fund is HKD but a portion of the Sub-Fund's assets are invested in securities denominated in currency other than HKD (i.e., USD). If a substantial portion of the revenue and income of the Sub-Fund is received in a currency other than HKD, any fluctuation in the exchange rate of the HKD relative to the relevant foreign currency will affect the NAV of the Sub-Fund denominated in HKD regardless of the performance of its underlying portfolio. Investors are therefore, subject to the fluctuation of the exchange rate of the HKD and the currency of denomination of the underlying assets of the Sub-Fund.

E. Semiconductor sector risk

The Sub-Fund invests in companies in the semiconductor sector, which may particularly be affected by the intense competition in such sector. Specific factors which may cause the value of securities within the semiconductor sector to deteriorate include, but are not limited to:

- domestic and international competition pressures (including competition from subsidised foreign competitors with lower production costs);

- rapid obsolescence of products as a result of the fast-developing nature of the semiconductor sector;

- economic performance of the customers of semiconductor companies which may in turn affect the growth and market outlook of the semiconductor sector;

- capital equipment expenditures which could be substantial; and

- rapid obsolescence and potential shortages of raw materials or equipment which could result in an increase in prices of raw materials or equipment, longer delivery time of products or even production stoppage.

Companies in the semiconductor sector also typically rely on heavy and significant spending on research and development, and there is no guarantee that the products produced by these companies will materialise into commercially successful products.

Furthermore, as the semiconductor sector may be deemed sensitive to national interests, the sector may be subject to government intervention, sanctions and trade protectionism. Companies in the semiconductor sector may be highly dependent upon government subsidies and incentives (including but not limited to preferential tax treatments) and contracts with government entities, and may be negatively affected if such subsidies are reduced, such preferential tax treatments expires or are discontinued, or contracts are unavailable due to changes in government policies.

The success of companies in the semiconductor sector is typically dependent on the companies' ability to maintain relationships with their technology partners. If a company's relationship with a technology partner 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, which could result in significant additional cost or disruptions to its businesses.

The semiconductor sector is also characterised by cyclical market patterns and periodic overcapacity. Business conditions in this industry may change rapidly from periods of production shortages and strong demand to periods of weak demand. Any future downturn in the industry could harm the business and operating results of semiconductor companies.

F. Mega-capitalisation companies risk

Some of the constituents of the New Index might be mega-capitalisation companies that are relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. They may struggle with flexibility to respond quickly to disruptions and changes in trends.

The high valuation of mega-capitalisation companies can make them more susceptible to market corrections, downturns and changes in interest rates. Moreover, mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment.

Mega-capitalisation companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

G. Difference in trading hours risks

As the stock markets in the US will be open when Shares in the Sub-Fund are not priced, the value of the securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell Shares. Differences in trading hours between the stock markets in the US and the SEHK may result in the trading price per Share deviating from its Net Asset Value (i.e. the trading price being at a premium or discount to the Net Asset Value) because the stock markets in the US will be closed while the SEHK is open, and the index level will not be available.

H. Risks associated with investments in FDIs

Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. 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 FDI may lead to a high risk of significant loss by the Sub-Fund.
Please refer to the risk factor titled "Collateral and FDI Risks" in part 1 of this Prospectus for further details.

I. New index risk

The Index is a new index. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.