

Hong Kong Covering Document – January 2016

CIFM China Emerging Power Fund



Mainland-Hong Kong Mutual Recognition of Funds

Fund Manager:

China International
Fund Management

Main Distributor in Hong Kong:

J.P.Morgan
Asset Management

CIFM China Emerging Power Fund
(the “Fund”)

FIFTH ADDENDUM

This Fifth Addendum forms an integral part of and should be read in conjunction with the Hong Kong Covering Document of the Fund dated January 2016, as amended from time to time (the “HKCD”).

China International Fund Management Co., Ltd. (the “Fund Manager”) accepts full responsibility for the accuracy of the information contained in this Addendum, and confirms, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.

Capitalized terms used herein not otherwise defined have the meaning ascribed to those terms in the Fund’s HKCD.

With effect from 31 March 2021, the HKCD shall be amended as follows:

- (i) The fourth paragraph of the section headed “**Settlement**” in page 16 of the HKCD is deleted in its entirety and replaced with the following:

“Please note that payment of redemption proceeds may be deferred in the circumstances as set out in the sub-section headed “**(VII) Suspension of Redemption or Deferral Payment of Redemption Monies**” under the section headed “**VII. Subscription, Redemption and Switching of Units**”, as well as, the section headed “**XVI. Side Pocket Mechanism**” of the Prospectus. In these circumstances, the extended time frame for the payment of redemption proceeds shall reflect the additional time needed in light of the specific situations and the redemption proceeds will be made to the Unitholders as soon as practicable.”

- (ii) The section headed “**Suspension of Valuation and Dealing**” in page 18 of the HKCD is deleted in its entirety and replaced with the following:

“Suspension of Valuation and Dealing, Deferral of Redemption and Exercise of Side Pocket

Any suspension of determination of the Net Asset Value of the Fund and the subscription or redemption of units of the Fund will be announced as soon as practicable following such decision and within the timeframe as required under applicable regulations on the website of the Hong Kong Representative at www.jpmorgan.com/hk/am/. Investors should note that this website has not been reviewed by the SFC.

For any suspension or deferral of dealings, as well as exercise of side pocket requiring notification to the CSRC, the SFC shall also be notified correspondingly.”

- (iii) The paragraph of (iv) under the section headed “**DOCUMENTS AVAILABLE TO INVESTORS**” in page 23 of the HKCD (as amended by the Fourth Addendum) is deleted in its entirety and replaced with the following:

“iv. the Prospectus of the Fund registered with the CSRC, this Hong Kong Covering Document and the Product Key Facts Statement, as amended from time to time;”

- (iv) The last paragraph of the section headed “**DOCUMENTS AVAILABLE TO INVESTORS**” in page 23 of the HKCD (as amended by the Fourth Addendum) is deleted in its entirety and replaced with the following:

“As regards item (iv), the Prospectus of the Fund shall normally be updated at least once every year and the Hong Kong Covering Document and the Product Key Facts Statement shall be updated where necessary to reflect corresponding changes.”

- (v) All references in the HKCD to the website “www.jpmorganam.com.hk” shall be deleted and replaced by “www.jpmorgan.com/hk/am/”.

China International Fund Management Co., Ltd.

March 2021

CIFM China Emerging Power Fund
(the “Fund”)

FOURTH ADDENDUM

This Fourth Addendum forms an integral part of and should be read in conjunction with the Hong Kong Covering Document of the Fund dated January 2016, as amended from time to time (the “HKCD”) and the Product Key Facts Statement of the Fund dated August 2019 (the “KFS”).

China International Fund Management Co., Ltd. (the “Fund Manager”) accepts full responsibility for the accuracy of the information contained in this Addendum, 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.

Capitalized terms used herein not otherwise defined have the meaning ascribed to those terms in the Fund’s HKCD and KFS.

With effect from 1 January 2020, the HKCD shall be amended as follows:

- (i) The first paragraph of the section headed **“REPORTS”** in page 22 of the HKCD is deleted in its entirety and replaced with the following:

“Audited annual reports incorporating financial statements, unaudited half-yearly reports and quarterly reports shall be made available to each Unitholder in accordance with the section headed **“XV. Information Disclosure of the Fund”** of the Prospectus. Annual reports will be made available within three months after the end of each year. Semi-annual reports of the Fund will be made available within two months after the end of the first half of each year. Quarterly reports of the Fund will be made available within 15 Business Days after the end of each quarter.

- (ii) The paragraph of (iv) under the section headed **“DOCUMENTS AVAILABLE TO INVESTORS”** in page 23 of the HKCD is deleted in its entirety and replaced with the following:

“iv. the Prospectus of the Fund and the Fund Product Key Facts Statement of the Fund (as set out in the section headed **“XV. Information Disclosure of the Fund”** of the Prospectus) registered with the CSRC, this Hong Kong Covering Document and the Product Key Facts Statement, as amended from time to time;”

- (iii) The last paragraph of the section headed **“DOCUMENTS AVAILABLE TO INVESTORS”** in page 23 of the HKCD is deleted in its entirety and replaced with the following:

“As regards item (iv), the Prospectus of the Fund and the Fund Product Key Facts Statement of the Fund (as set out in the section headed **“XV. Information Disclosure of the Fund”** of the Prospectus) shall normally be updated at least once every year and the Hong Kong Covering Document and the Product Key Facts Statement shall be updated where necessary to reflect corresponding changes.

China International Fund Management Co., Ltd.

December 2019

CIFM China Emerging Power Fund
(the “Fund”)

THIRD ADDENDUM

This Third Addendum forms an integral part of and should be read in conjunction with the Hong Kong Covering Document of the Fund dated January 2016, as amended from time to time (the “HKCD”) and the Product Key Facts Statement of the Fund dated August 2019 (the “KFS”).

China International Fund Management Co., Ltd. (the “Fund Manager”) accepts full responsibility for the accuracy of the information contained in this Addendum, 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.

Capitalized terms used herein not otherwise defined have the meaning ascribed to those terms in the Fund’s HKCD and KFS.

The HKCD shall be amended as follows:

Enhanced Disclosure on Risk Factors

- (i) The paragraph of “High valuation risk” in the sub-section headed **“5. Mainland China equity risk”** under the section headed “RISK FACTORS” in page 11 of the HKCD is deleted in its entirety and replaced with the following:

“High valuation risk: There is a risk that the stocks listed on the Mainland China stock exchanges, in particular the ChiNext, SME board and STAR Board stocks, may have a higher price-earnings ratio. The high valuation may not be sustainable and stock prices may fall drastically.

- (ii) The sub-section headed “6. Risk Associated with the Small and Medium Enterprise (SME) board and/or ChiNext market” under the section headed “RISK FACTORS” in pages 11-12 of the HKCD is deleted in its entirety and replaced with the following:

“6. Risks associated with the Small and Medium Enterprise (SME) board, ChiNext market and/or the Science and Technology Innovation Board (STAR Board)

- Higher fluctuation on stock prices and liquidity risk: Listed companies on the SME board, ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. In particular, listed companies on STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main board.
- Over-valuation risk: Stocks listed on SME board, ChiNext and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

- Differences in regulation: The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main board and SME board.
- Delisting risk: It may be more common and faster for companies listed on the SME board, ChiNext market and/or STAR Board to delist. In particular, STAR Board has stricter criteria for delisting compared to other boards. This may have an adverse impact on the Fund if the companies that it invests in are delisted.
- Concentration risk: STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the Fund to higher concentration risk.
- Investments in the SME board, the ChiNext market and/or STAR Board may result in significant losses for the Fund and its investors.”

China International Fund Management Co., Ltd.

August 2019

**CIFM China Emerging Power Fund
(the “Fund”)**

SECOND ADDENDUM

This Second Addendum forms an integral part of and should be read in conjunction with the Hong Kong Covering Document of the Fund dated January 2016, as amended from time to time (the “HKCD”) and the Product Key Facts Statement of the Fund dated January 2016 (the “KFS”).

China International Fund Management Co., Ltd. (the “Fund Manager”) accepts full responsibility for the accuracy of the information contained in this Addendum, 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.

Capitalized terms used herein not otherwise defined have the meaning ascribed to those terms in the Fund’s HKCD and KFS.

The HKCD shall be amended as follows:

1. Revise the language of the documents available for investors’ inspection

With immediate effect, the third and fourth paragraphs under the section headed “DOCUMENTS AVAILABLE TO INVESTORS” in page 23 of the HKCD is deleted in its entirety and replaced with the following:

“Items (i), (ii), (iii), (v), (vi) and (ix) will be available in simplified Chinese only. Documents set out in items (iv) and (viii) will be available in English and traditional Chinese only. Item (vii) will be available in English only.

Investors may request for specific information regarding items (ii) and (v) in English or in traditional Chinese by submitting a request in writing to the Hong Kong Representative. The Hong Kong Representative will respond to such request as soon as practicable.”

2. Change of the terms used for SME board

With immediate effect, the terms “small/medium sized enterprises” and “SME” used in the HKCD are renamed to “Small and Medium Enterprise board” and “SME board” respectively.

3. Update of Risk Factor Disclosure

With immediate effect, the sub-section headed “6. ChiNext market and SME risk” under the section headed “RISK FACTORS” in pages 11-12 of the HKCD is deleted in its entirety and replaced with the following:

"6. Risks associated with the Small and Medium Enterprise (SME) board and/or ChiNext market

- Higher fluctuation on stock prices: Listed companies on the SME board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board.
- Over-valuation risk: Stocks listed on SME board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.
- Differences in regulation: The rules and regulations regarding companies listed on the ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME board.
- Delisting risk: It may be more common and faster for companies listed on the SME board and/or ChiNext market to delist. This may have an adverse impact on the Fund if the companies that it invests in are delisted.
- Investments in the SME board and/or the ChiNext market may result in significant losses for the Fund and its investors."

China International Fund Management Co., Ltd.

July 2016

**CIFM China Emerging Power Fund
(the “Fund”)**

FIRST ADDENDUM

This First Addendum forms an integral part of and should be read in conjunction with the Hong Kong Covering Document of the Fund dated January 2016, as amended from time to time (the “HKCD”) and the Product Key Facts Statement of the Fund dated January 2016 (the “KFS”).

China International Fund Management Co., Ltd. (the “Manager”) accepts full responsibility for the accuracy of the information contained in this Addendum, 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.

Capitalized terms used herein not otherwise defined have the meaning ascribed to those terms in the Fund’s HKCD and KFS.

The HKCD and KFS shall be amended as follows:

1. Enhanced disclosure for dealing procedures

With immediate effect, the following enhanced disclosure statement will be inserted after the last paragraph under the section headed “**DEALING AND SETTLEMENT PROCEDURES IN HONG KONG**” in page 14 of the HKCD and after the second bullet point under the section headed “**Additional Information**” in page 6 of the KFS:

“There may also be changes to the dealing and cut-off time arrangements as a result of market events. Investors should inquire with the Hong Kong Representative or their authorised distributors for the related dealing and cut-off time arrangements.”

China International Fund Management Co., Ltd.

January 2016

CIFM China Emerging Power Fund

a fund established pursuant to
a Fund Contract taking effect from 13 July 2011 (and as amended from time to time)
between the Fund Manager and the Fund Custodian
and regulated under the *Securities Investment Funds Law of the People's Republic of China*

HONG KONG COVERING DOCUMENT

This document (herein the “Hong Kong Covering Document”) is supplemental to, forms part of and should be read in conjunction with the prospectus for CIFM China Emerging Power Fund (the “Fund”) (as amended from time to time) (the “Prospectus”) and the Product Key Facts Statement of the Fund. Unless otherwise provided in this Hong Kong Covering Document, terms defined in the Prospectus shall have the same meaning in this Hong Kong Covering Document.

January 2016

IMPORTANT INFORMATION FOR INVESTORS

If you are in doubt about the contents of the Prospectus, this Hong Kong Covering Document or the Product Key Facts Statement, you should consult your bank manager, legal adviser, accountant or other independent financial adviser.

China International Fund Management Co., Ltd., the Fund Manager of the Fund, accepts full responsibility for the accuracy of the information contained in the Prospectus, this Hong Kong Covering Document and the Product Key Facts Statement of the Fund, 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 in these documents misleading. However, neither the delivery of the Prospectus, this Hong Kong Covering Document or the Product Key Facts Statement of the Fund nor the offer or issue of units shall under any circumstances constitute a representation that the information contained therein is correct as of any time subsequent to the date of publication. These documents may from time to time be updated.

The Fund is an open-ended contract-type investment fund established under a Fund Contract taking effect from 13 July 2011 (and as amended from time to time) between the Fund Manager and the Fund Custodian. The Fund has been registered with and is subject to the on-going supervision of the China Securities Regulatory Commission (“CSRC”).

The Fund has been authorised by the Securities and Futures Commission (“SFC”) in Hong Kong under Section 104 of the Securities and Futures Ordinance of Hong Kong (“SFO”) and is available for sale to the public in Hong Kong. Such authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

This Hong Kong Covering Document and the Product Key Facts Statement of the Fund are prepared for distribution in Hong Kong only. These documents contain additional details of the Fund in connection with its authorisation for distribution in Hong Kong and must be read in conjunction with the Fund’s latest available Prospectus.

Units are offered only on the basis of the information contained in the Prospectus, this Hong Kong Covering Document and the Product Key Facts Statement, which are valid only if accompanied by a copy of the latest annual report and, if published thereafter, the latest half-yearly and quarterly report.

In particular:

United States

The Fund has not been registered under the United States (the “US”) Securities Act, as amended, (the “Act”) or under any similar or analogous provision of law enacted by any jurisdiction in the US. The units may not be offered or sold to any US Person unless the Fund Manager, at its absolute discretion, grants an exception. For this purpose, a US Person is one falling under the definition of US Person under the Act, under the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations of the Commodities Futures Trading Commission, as amended, or under the US Internal Revenue Code (“IRC”) as specified below or under the US federal income tax law (as described below under paragraphs 1 through 4), or a non-US entity with certain US owners (as described below under paragraph 5):

1. An individual who is a citizen of the US or a resident alien for US federal income tax purposes. In general, the term **"resident alien"** is defined for this purpose to include any individual who (i) holds an Alien Registration Card (a **"green card"**) issued by the US Citizenship and Immigration Services or (ii) meets a **"substantial presence"** test. The **"substantial presence"** test is generally met with respect to any calendar year if (i) the individual was present in the US on at least 31 days during such year and (ii) the sum of the number of days in which such individual was present in the US during such year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days;
2. A corporation, an entity taxable as a corporation, or a partnership, created or organized in or under the laws of the US or any state or political subdivision thereof or therein, including the District of Columbia (other than a partnership that is not treated as a US person under Treasury Regulations);
3. An estate the income of which is subject to US federal income tax regardless of the source thereof;
4. A trust with respect to which a court within the US is able to exercise primary supervision over its administration and one or more US persons have the authority to control all of its substantial decisions, or certain electing trusts that were in existence on August 20, 1996 and were treated as domestic trusts on August 19, 1996; or
5. A Passive Non-Financial Foreign Entity (**"Passive NFFE"**) with one or more **"Controlling Persons"** (within the meaning of any Intergovernmental Agreement relating to the Foreign Account Tax Compliance Act (as set forth in Sections 1471 through 1474 of the IRC (**"FATCA"**)) that may be entered into by the US and any other jurisdiction (**"IGA"**)) that is a US Person (as described above under paragraph 1). A Passive NFFE is generally a non-US and non-financial institution entity that is neither a **"publicly traded corporation"** nor an **"active NFFE"** (within the meaning of the applicable IGA).

THE CHINA-HONG KONG MUTUAL RECOGNITION OF FUNDS ("MRF")

On 22 May 2015, the SFC and the CSRC signed a *"Memorandum of Regulatory Cooperation concerning Mutual Recognition of Funds between the Mainland and Hong Kong"* (the **"Memorandum"**). The Memorandum provides a framework for mutual recognition of publicly offered funds between the CSRC and the SFC so that these recognised funds may be offered to the public in both markets.

Under the MRF framework, securities investment funds regulated by the CSRC and offered for sale to the public in Mainland China (i.e. the People's Republic of China, which for the purpose of this Hong Kong Covering Document excludes Hong Kong, Macau and Taiwan) may be authorised by the SFC and offered to the public in Hong Kong, subject to any additional requirements imposed by the SFC.

The Fund is registered with and regulated by the CSRC and has been authorised by the SFC under the SFO pursuant to the terms of the MRF. Pursuant to the terms of the MRF, the Fund operates under the following principles:

- a) the Fund meets the prevailing eligibility requirements released by the SFC;

- b) the Fund remains registered with the CSRC and is allowed to be marketed to the public within Mainland China;
- c) the Fund generally operates and is managed in accordance with the relevant laws and regulations in Mainland China and its constitutive documents (i.e. the Fund Contract);
- d) the sale and distribution of the Fund in Hong Kong shall comply with the applicable laws and regulations in Hong Kong;
- e) the Fund will comply with the additional rules released by the SFC governing the authorisation, post-authorisation and ongoing compliance, and the sale and distribution of the Fund in Hong Kong; and
- f) during the period the Fund remains authorised by the SFC, the Fund Manager shall ensure Unitholders of both Mainland China and Hong Kong receive fair and the same treatment, including in respect of investor protection, exercise of rights, compensation and disclosure of information.

The Fund Manager confirms that Unitholders of both Mainland China and Hong Kong will receive fair and the same treatment pursuant to (f) above.

The Fund is a MRF fund which is subject to the following eligibility requirements:

- a) the Fund is an eligible fund type under the MRF;
- b) the Fund is established and managed and operates in accordance with Mainland China laws and regulations and its constitutive documents;
- c) the Fund is a publicly offered securities investment fund registered with the CSRC under the *Securities Investment Funds Law of the People's Republic of China*;
- d) the Fund has been established for more than 1 year;
- e) the Fund has a minimum fund size of not less than RMB 200 million or its equivalent in a different currency;
- f) the Fund does not primarily invest in the Hong Kong market; and
- g) the value of units in the Fund sold to investors in Hong Kong shall not be more than 50% of the value of the Fund's total assets.

The Fund Manager is registered and operates in Mainland China in accordance with Mainland China laws and regulations and is licensed by the CSRC to manage publicly offered securities investment funds.

The Fund Custodian is qualified to act as custodian for publicly offered securities investment funds pursuant to Mainland China laws and regulations.

Following SFC authorisation, if the Fund ceases to meet the requirements prescribed by the SFC from time to time, the Fund Manager shall notify the SFC immediately whereupon the Fund may not continue to be marketed to the public in Hong Kong and may not accept new subscriptions.

Investors should note that, when the value of units in the Fund sold to investors in Hong Kong is approaching the 50% limit mentioned in sub-paragraph (g) above, the Fund should notify the SFC in writing immediately, and suspend subscription or apply a fair arrangement to apportion subscription orders until the 50% limit is reached. Moreover, all MRF funds (including the Fund) are subject to an overall quota restriction. Once the quota is used up,

the Fund may have to suspend for subscription. In these circumstances, there is a risk that Hong Kong investors may not be able to subscribe for the number of units they desire (or not able to subscribe for any units at all). For the avoidance of doubt, even if the 50% limit is reached or the quota is used up, Hong Kong investors can continue to hold their existing units in the Fund and such units will not be compulsorily redeemed.

HONG KONG REPRESENTATIVE

The Hong Kong Representative is JPMorgan Funds (Asia) Limited. The Hong Kong Representative has been appointed by the China International Fund Management Co., Ltd. in accordance with the Code on Unit Trusts and Mutual Funds. The fees (if any) of the Hong Kong Representative are borne by the Fund Manager.

Contact details of the Hong Kong Representative:

Address: 21/F Chater House, 8 Connaught Road Central, Hong Kong

Telephone: (852) 2978 7788

SERVICE RENDERED TO UNITHOLDERS

Without prejudice to the principle of equal treatment for Mainland China and Hong Kong investors, some of the services mentioned in the Prospectus may not be available to Hong Kong investors (for example, information relating to Class A Units which will not be offered to Hong Kong investors, the sub-section headed “**(I) Sales Institutions of Fund**” in the section headed “**V. Relevant Service Institutions**”, the services set out in the section headed “**XX. Service to Unitholders**” of the Prospectus. Hong Kong investors should check with local authorised distributors for further details. Different authorised distributors may provide different types of services associated with investment in the Fund. Please check with the respective authorised distributors for details.

ENQUIRIES AND COMPLAINTS

Investors may contact the Hong Kong Representative for any queries or complaints in relation to the Fund at the Hong Kong Representative's address or by phone as set out in the section headed “**Hong Kong Representative**”.

In respect of a general enquiry or complaint, the Hong Kong Representative will revert to the relevant investor within five Hong Kong Dealing Days of receipt in writing. Enquiries and complaints will be handled on a case by case basis.

FURTHER INFORMATION

Investors may access the website of the Hong Kong Representative at www.jpmorganam.com.hk for further information on the Fund, including the offering documents, the financial reports, notices, latest Net Asset Value per Unit and the composition of distributions. This website has not been reviewed by the SFC.

SCHEMES NOT AUTHORISED BY SFC

In relation to fund(s) as set out in the Hong Kong offering documents (including the CSRC registered Prospectus, the Hong Kong Covering Document and the Product Key Facts Statement), only the following fund is authorised by the SFC for offering to the public in Hong Kong pursuant to section 104 of the SFO.

(a) CIFM China Emerging Power Fund

Warning: Please note that the other fund(s) mentioned in the Hong Kong offering documents (including the CSRC registered Prospectus, the Hong Kong Covering Document and the Product Key Facts Statement) may not be authorised by the SFC for offering to the public in Hong Kong. It is an offence to offer any of these funds which have not been authorised by the SFC to the public in Hong Kong unless an exemption under section 103 of the SFO applies. Intermediaries should take note of this.

CLASSES OF UNITS FOR HONG KONG INVESTORS

Only Class H Units are available to Hong Kong investors. Hong Kong investors should pay attention to the details and specific features of such Class H Units as disclosed in this Hong Kong Covering Document. If there are inconsistencies with the Prospectus concerning any information about Class H Units, the disclosure in this Hong Kong Covering Document shall prevail.

Class H Units are denominated in Renminbi ("**RMB**"). The initial value of Class H Units will be set at the Net Asset Value of Class A Units on the first subscription date of Class H Units.

The Net Asset Value per Unit for Class H Units is calculated after the market closes by dividing the Net Asset Value attributable to Class H Units by the total number of Class H Units on the relevant Hong Kong Dealing Day.

Dealing in Class H Units will be in accordance with the procedures set out below under "**Dealing and Settlement Procedures in Hong Kong**".

CHANGES AND NOTIFICATION

Changes to the Fund will be made in accordance with the applicable Mainland China laws and regulations and the provisions of the Fund's constitutive documents. Such changes shall be effective upon approval by the CSRC or compliance with the appropriate procedures in Mainland China, and thereafter, the changes shall be submitted to the SFC for filing. Changes that relate to the eligibility of the Fund under the MRF arrangement will generally require prior approval from the SFC (e.g. changes in the investment objectives, strategies and key operators of the Fund). Changes affecting Hong Kong investors only (e.g. change of Hong Kong Representative) may be subject to prior approval from the SFC pursuant to applicable requirements under the Code. Unitholders will be notified of the changes pursuant to applicable regulatory requirements. In general, notices (in both English and traditional Chinese) in relation to changes that affect Hong Kong investors will be posted on the Hong Kong Representative's website at www.jpmorganam.com.hk. This website has not been reviewed by the SFC.

The Fund Manager shall take reasonable steps and measures to ensure ongoing disclosure of information of the Fund shall be made available to Mainland Chinese investors and Hong Kong investors at the same time, except for any notice to Mainland Chinese investors which is issued only in respect of class(es) of Units of the Fund not available in Hong Kong and not relevant to Hong Kong investors, or relate solely to issues that have no impact on Hong Kong investors.

INVESTMENT OBJECTIVES AND STRATEGIES

Investors' attention is drawn to the investment objectives, strategies and other details on the Fund's investments in the section headed "**VIII. Investments of the Fund**" in the Prospectus and the Product Key Facts Statement.

For clarification, notwithstanding the disclosure in the Prospectus, the Fund will use financial derivative instruments for hedging purposes only. Should this intention change in the future, prior regulatory approval will be sought and at least 1 month's prior notice will be given to investors.

The Fund's investments will be made in the Mainland market only.

The Fund may invest in up to 95% of the Fund's Net Asset Value in ChiNext and small/medium sized enterprises ("**SME**") stocks.

The Fund may invest up to 40% of its Net Asset Value in bonds which may include asset-backed securities and urban investment bonds.

The Fund currently only invests in debt securities rated BBB- or above by a Mainland Chinese credit rating agency at the time the investments were made. Where the credit ratings of the relevant debt securities are downgraded to below BBB-, the Fund Manager will, having regard to the interests of the investors, seek to dispose of all such downgraded debt securities in a gradual and orderly manner in light of the then prevailing market conditions.

The total extent of leverage of the Fund will not exceed 40% of the Fund's Net Asset Value and will be by way of repurchase transactions only.

ADDITIONAL DISCLOSURE ON SECURITIES LENDING AND/OR REPURCHASE TRANSACTIONS

The Fund does not currently intend to engage in securities lending. Prior regulatory approval will be sought and at least one month's prior notice will be given to Unitholders in Hong Kong if there is a change in this policy. Provided that the minimum investment requirements for meeting the Fund's investment objectives and strategy and other applicable regulatory requirements are complied with, the Fund may enter into repurchase transactions and reverse repurchase transactions for up to 40% of the Fund's Net Asset Value on both the exchange market and in the interbank market.

(A) Exchange Market

In respect of repurchase / reverse repurchase transactions carried out on the exchange market in Mainland China, all such transactions are centrally cleared and settled with the China Securities Depository and Clearing Corporation Limited ("**CSDCCL**") which in effect, acts as the sole counterparty to such transactions.

Where the Fund enters into a repurchase transaction, the Fund will receive cash (i.e. borrow cash) and provide collateral which will be placed under custody of the CSDCCL.

With respect to a reverse repurchase transaction, the Fund will pay cash (i.e. lend out cash) to CSDCCL and is subject to counterparty risk of CSDCCL. Collateral provided by the counterparty borrowing cash is placed under the custody to and in favour of the CSDCCL.

The stock exchanges determine the types of bonds which may be used by counterparties as collateral. In general, collateral may include government bonds and/or corporate bonds with

a credit rating of AA or above as rated by a Mainland Chinese credit rating agency. The stock exchanges also apply prescribed haircut rates for different types of bonds. The collateral is marked to market daily to ensure the value of collateral is greater than or equal to the value of such repurchase/reverse repurchase transactions. Where the value of collateral falls below the secured amount, the relevant participant participating in the relevant transaction is required to deliver additional cash or collateral, failing which the CSDCCL has the right to dispose of the existing collateral securities and collect any outstanding amount from the defaulting participant. The Fund may enter into either pledged repurchase / reverse repurchase transactions or **"buy-out"** repurchase / reverse repurchase transactions in the exchange market. For pledged repurchase / reverse repurchase transactions, ownership of the collateral will not be transferred to the other party but rather the collateral will be under custody in a specific pledge account of the CSDCCL until repayment of the cash lent. For **"buy-out"** repurchase / reverse repurchase transactions, the ownership of the collateral will be transferred to the buyer at inception, and transferred back to the seller upon repayment of the cash lent.

(B) Interbank Market

Where the Fund carries out repurchase / reverse repurchase transactions in the interbank market in Mainland China, the Fund Manager will select the counterparties for such transactions based on their business nature, size, reputation, financial standing and track record, etc.

In a repurchase transaction, the Fund will receive cash (i.e. borrow cash) and pledge collateral which will be received by and kept under custody of Shanghai Clearing House Co., Ltd. ("**SCH**") or China Central Depository & Clearing Co., Ltd. ("**CCDC**").

With respect to a reverse repurchase transaction, the Fund will pay cash (i.e. lend out cash) and the collateral pledged by the counterparty borrowing cash will be received by and kept under custody of SCH or CCDC on behalf of the Fund.

Where the Fund enters into reverse repurchase transactions in the interbank market, collateral acceptable to the Fund may include cash, as well as, government bonds, local government bonds, central bank bills, commercial bank bonds, non-bank financial institution bonds, corporate bonds, commercial papers, and/or mid-term notes with a credit rating of AA or above as rated by a Mainland Chinese credit rating agency. Collateral acceptable to the Fund should also comply with the applicable rules and regulations. The Fund Manager will adopt a prudent haircut policy for the collateral which will take into account factors such as credit ratings and quality of the bond. Unlike the repurchase / reverse repurchase transaction conducted on exchange market, the collateral will not be marked to market daily. Under normal circumstances, the Fund Manager will aim to enter into such transactions with relatively short term in order to mitigate the market risk on collateral taken. The Fund will only enter into pledged repurchase / reverse repurchase transactions (i.e. ownership of the collateral will not be transferred to the other party but rather the collateral will be in the custody of the relevant securities clearing company until a repayment of the cash lent is made) on the interbank market.

For repurchase transactions, the cash proceeds received by the Fund may be used for liquidity management and/or reinvestment, at the discretion of the Fund Manager. Given that the collateral received from reverse repurchase transactions will be placed under custody of CSDCCL, SCH or CCDC, the Fund will not use them as collateral for other repurchase transactions, or to acquire cash for liquidity management and/or reinvestment.

Any incremental income generated will be credited to the account of the Fund after deducting any fees charged by parties such as custodian bank, international clearing organisations or

agents operating or administering such transactions. The repurchase / reverse repurchase transactions may be carried out through the Fund Manager, the Fund Custodian or their connected persons, and in such case each of the parties (as the case may be) shall be entitled to retain a fee on a commercial basis, provided that all transactions shall be effected at arm's length and on best available terms (i.e. the fee shall be no greater than the prevailing market rates for a transaction of the same scale and nature) and periodic disclosure on such fees payable to the relevant connected person(s) is made in the Fund's annual reports.

RISK FACTORS

Investors should refer to the section headed “XVI. Risk Disclosures” in the Prospectus as are relevant to investment in the Fund and the following additional information in respect of the risks associated with investing in the Fund:

1. Investment risk

- The Fund is an investment fund. There is no guarantee of the repayment of principal. There is also no guarantee of dividend or distribution payments during the period investors hold the units of the Fund. Further, there is no guarantee that the Fund will be able to achieve its investment objectives and there can be no assurance that the stated strategies can be successfully implemented. Investors may lose entire amount originally invested under extreme circumstances.
- The deviation of the Fund Manager's understanding in the economic restructuring and industrial upgrading or lack of in-depth studies on fundamentals of the listed companies may result in the inaccurate judgment on industries and individual stocks.

2. Risks associated with the MRF arrangement

- *Quota restrictions:* The Mainland-Hong Kong Mutual Recognition of Funds (MRF) scheme is subject to an overall quota restriction. Subscription of units in the Fund may be suspended at any time if such quota is used up.
- *Failure to meet eligibility requirements:* If the Fund ceases to meet any of the eligibility requirements under the MRF, it may not be allowed to accept new subscriptions. In the worst scenario, the SFC may even withdraw its authorisation for the Fund to be publicly offered in Hong Kong for breach of eligibility requirements. There is no assurance that the Fund can satisfy these requirements on a continuous basis.
- *Mainland China tax risk:* Currently, certain tax concessions and exemptions are available to the Fund and/or its investors under the MRF regime. There is no assurance that such concessions and exemptions or Mainland China tax laws and regulations will not change. Any change to the existing concessions and exemptions as well as the relevant laws and regulations may adversely affect the Fund and/or its investors and they may suffer substantial losses as a result.
- *Different market practices:* Market practices in the Mainland China and Hong Kong may be different. In addition, operational arrangements of the Fund and other public funds offered in Hong Kong may be different in certain ways. For example,

subscriptions or redemption of units of the Fund may only be processed on a day when both Mainland China and Hong Kong markets are open, or it may have different cut-off times or dealing day arrangements versus other SFC-authorised funds. Investors should ensure that they understand these differences and their implications.

3. Concentration risk / Mainland China market risk

- The Fund invests primarily in securities related to the Mainland China market and may be subject to additional concentration risk. Investing in the Mainland China market may give rise to different risks including political, policy, tax, economic, foreign exchange, legal, regulatory and liquidity risks.

4. RMB currency and conversion risks

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Fund.
- Investors may not receive RMB upon redemption of investments and/or dividend payment or such payment may be delayed due to the exchange controls and restrictions applicable to RMB.
- The Fund and Class H Units are both denominated in Chinese Yuan (CNY). For investors who need to convert into RMB before subscribing the Class H Units, the exchange rate for the offshore RMB market in Hong Kong (i.e. the CNH exchange rate) may be at a premium or discount to the CNY rate (i.e. the exchange rate for the onshore RMB market in the Mainland China).

5. Mainland China equity risk

- *Market risk:* The 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.
- *Volatility risk:* High market volatility and potential settlement difficulties in the Mainland China equity markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Fund.
- *Policy risk:* Securities exchanges in Mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Fund.

- *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.
- *High valuation risk:* There is a risk that the stocks listed on the Mainland China stock exchanges, in particular the ChiNext and SME stocks, may have a higher price-earnings ratio. The high valuation may not be sustainable and stock prices may fall drastically.
- *Liquidity risk:* Securities markets in Mainland China may be less liquid than other developed markets. Mainland China equities are subject to the risks of government intervention such as suspension of trading and trading band limits. This may result in the fluctuation in the prices and illiquidity of Mainland China equities. The Fund may suffer substantial losses if it is not able to dispose of its investment in Mainland China equities at a time it desires.

6. ChiNext market and SME risk

- Listed companies in the ChiNext market (e.g. innovative enterprises) and SME are usually in their preliminary stage of development with smaller operating scale and shorter operating history, less mature business model and weaker risk management capacity, and their businesses are usually subject to higher uncertainty and more fluctuations in their performance. Therefore its stability and resistance to market risks may be lower. Hence, they are subject to higher market volatility and risks and higher turnover ratios than companies listed on the main board.
- The rules and regulations regarding the ChiNext and SME stocks are less stringent in terms of profitability and share capital than those applicable to the main board market.
- Given the emerging nature of the SME and companies listed on the ChiNext market, and these companies generally focus on scientific development, innovation and media industries, any failures in the process of the scientific development which such companies are involved in and/or any major adverse events happening in the industries or their development may result in losses in such companies which are invested by the Fund.
- SME and companies listed on the ChiNext market have less track record of profitability. It may be more common and faster for SME or listed companies in the ChiNext market than companies listed on main board to delist. This may have an adverse impact on the Fund if the companies that it invests in are delisted.
- There is a risk that certain SME and stocks listed on ChiNext may be overvalued with high price-earnings ratio. Such exceptionally high valuation may not be sustainable. Also, conventional valuation methods may not be entirely applicable to SME and companies listed in the ChiNext market due to the risky nature of the industries that these companies operate in. There are also fewer circulating shares in the ChiNext

market hence stock prices may be relatively more easily manipulated and may experience higher fluctuation upon market speculation.

7. Mainland debt securities risk

- *Volatility and liquidity risks:* The Mainland China debt securities markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations.
- *Counterparty risk:* The Fund is exposed to the credit/default risk of issuers of the debt securities that the Fund may invest in.
- *Interest rate risk:* Investment in the Fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- *Downgrading risk:* The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Fund may be adversely affected. The Fund Manager may or may not be able to dispose of the debt instruments that are being downgraded.
- *Credit rating agency risk:* The credit appraisal system in Mainland China and the rating methodologies employed in Mainland China may be different from those employed in other markets. Credit ratings given by Mainland China rating agencies may therefore not be directly comparable with those given by other international rating agencies.
- *Risk associated with urban investment bonds:* The Fund may invest in urban investment bonds. Urban investment bonds are issued by local government financing vehicles (“LGFVs”), such bonds are typically not guaranteed by local governments or the central government of Mainland China. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the Fund could suffer substantial loss and the Net Asset Value of the Fund could be adversely affected.
- *Risk associated with asset-backed securities:* The Fund may invest in asset-backed securities (including asset-backed commercial papers) which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

8. Substantial redemption risk

- Substantial redemptions may require the Fund Manager to liquidate investments of the Fund rapidly which would adversely affect the Net Asset Value of the Fund, and may result in suspension or delay in redemption process in the worst case. Pursuant to

Mainland China regulations, the payment of proceeds of redemption may be deferred by not more than 20 Business Days, where a situation of continuous substantial redemption occurs.

9. Distribution out of capital risk

- The payment of distributions out of accrued net distributable income carried over from the previous financial year(s) amounts to distributions out of capital under Hong Kong regulatory disclosure requirements. Investors should note that the payment of distributions out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Any distributions involving payment of dividends out of capital of the class will result in an immediate decrease in the Net Asset Value per unit of the relevant units.

10. Risks relating to repurchase / reverse repurchase transactions

- The Fund Manager may enter into repurchase transactions for the account of the Fund. The Fund may suffer substantial loss as there may be delay and difficulties in recovering collateral placed with the counterparty or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate and inadequate valuation of the collateral and market movements upon default of the counterparty.
- The Fund Manager may also enter into reverse repurchase transactions for the account of the Fund. The collateral placed under the reverse repurchase transactions in the interbank market may not be marked to market. Besides, the Fund may suffer substantial loss when engaging in reverse repurchase transactions as there may be delay and difficulties in recovering the cash placed out or realizing the collateral, or proceeds from the sale of collateral may be less than the cash placed with the counterparty due to inaccurate and inadequate valuation of the collateral and market movements upon default of the counterparty.

11. Taxation and FATCA risk

- Investors should note specific uncertainty in tax position and tax risks relating to potential tax liabilities on income and gains that arise from investing in, holding or disposing of units in the Fund. Changes in tax regulations and/or tax provisioning policy of the Fund may only impact investors remaining in the Fund. Investors who have sold or redeemed their units prior to such change may not be impacted. Investors may be advantaged or disadvantaged depending upon whether and how the capital gains arising from the redemption of units and distributions from the Fund will ultimately be taxed and when the investors invest in the Fund. There are certain risks relating to the Mainland China tax regime and FATCA, as further described in the section headed “**Taxation**” of this document.

DEALING AND SETTLEMENT PROCEDURES IN HONG KONG

For Hong Kong investors, the details on the minimum initial investment, minimum subsequent investment, minimum redemption and the minimum holding in respect of the Fund are set out below:

Minimum initial investment	Minimum subsequent investment	Minimum redemption	Minimum holding
RMB 100	RMB 100	100 units	100 units

For the purpose of dealing in units through the Hong Kong Representative, a **"Hong Kong Dealing Day"** shall mean a Dealing Day on which banks in Hong Kong are also open for normal banking business. Where as a result of a number 8 typhoon signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Hong Kong Dealing Day unless the Fund Manager determines otherwise. **"Dealing Day"** is defined to mean a **"Business Day"** on which Subscription, Redemption or other business of fund units are processed for the Fund Investors and **"Business Day"** is defined to mean a normal trading day of Shanghai Stock Exchange and Shenzhen Stock Exchange.

Subscription and redemption of units in Hong Kong take place on each Hong Kong Dealing Day, save for the period of suspension of valuation of and dealing in units of the Fund set out below under the heading **"Suspension of Valuation and Dealing"** under the section **"Net Asset Value"** and the period when the Fund is closed for subscription.

Instructions for subscriptions and redemptions which the Hong Kong Representative considers unclear or incomplete may lead to a delay in their execution. Such instructions will only be executed once they have been verified and confirmed to the Hong Kong Representative's satisfaction. The Hong Kong Representative will not be liable for any losses which may result from delays arising from unclear instructions.

Subscription Procedures

To purchase Units in the Fund, investors should make an application to authorised distributors or the Hong Kong Representative (if applicable) by 3:00 p.m. (Hong Kong time) on a Hong Kong Dealing Day (**"Dealing Deadline"**) for dealing on the same day. Authorised distributors are required to forward the relevant applications received before the Dealing Deadline by 5:00 p.m. (Hong Kong time) to the Hong Kong Representative for dealing on the same day.

The Hong Kong Representative will aggregate the subscription applications received directly from investors and/or via authorised distributors and pass a consolidated order to the Fund Manager. Applications received after the Dealing Deadline will be forwarded to the Fund Manager on the immediately following Hong Kong Dealing Day. The number of Units allotted will be calculated by dividing subscription proceeds (net of subscription fee) by the Net Asset Value per Unit on the Hong Kong Dealing Day on which the Fund Manager receives the application. The subscription will be confirmed on the next Hong Kong Dealing Day.

Subscriptions for Units via the Hong Kong Representative may be made by Hong Kong investors by facsimile or by electronic communication (if applicable) placed by a person designated as an authorised person in the application form.

Different authorised distributors may have different practices for subscription. For subscription applications made through authorised distributors in Hong Kong, investors should consult with their respective authorised distributors for the dealing procedures (including the acceptable means of subscription order submission) applicable to dealing through such authorised distributors. Authorised distributors may impose different earlier dealing deadlines for receiving applications for subscriptions. Investors should pay attention to the arrangements of the authorised distributors concerned.

Hong Kong investors may not switch to other class of the Fund or any other investment funds.

Redemption Procedures

A Hong Kong Unitholder who wishes to request a redemption of the whole or any part of his holding of Units in the Fund may submit his redemption order (in the prescribed form) to authorised distributors or the Hong Kong Representative (if applicable) by the Dealing Deadline for dealing on the same day. Authorised distributors are required to forward the relevant applications received before the Dealing Deadline by 5:00 p.m. (Hong Kong time) to the Hong Kong Representative for dealing on the same day.

The Hong Kong Representative will aggregate redemption orders received directly from investors and/or via authorised distributors and pass a consolidated order to the Fund Manager. Applications received after the Dealing Deadline will be dealt with on the immediately following Hong Kong Dealing Day. Units will be redeemed at the Net Asset Value per Unit on the Hong Kong Dealing Day on which the Fund Manager receives the application. The redemption will be confirmed on the next Hong Kong Dealing Day.

Redemption of Units via the Hong Kong Representative may be made by Hong Kong investors by facsimile or by electronic communication (if applicable) placed by a person designated as an authorised person in the redemption form.

Different authorised distributors may have different practices for redemption. To redeem units through authorised distributors in Hong Kong, investors should consult with their respective authorised distributors for the dealing procedures (including the acceptable means of redemption order submission) applicable to dealing through such authorised distributors. Authorised distributors may impose different earlier dealing deadlines for receiving applications for redemption. Investors should pay attention to the arrangements of the authorised distributors concerned.

If, upon redemption of Class H Units held by a Unitholder, the remaining balance of the units is of a value less than 100 units upon or after the redemption, the redemption request shall be treated as a request to redeem all remaining units held by the Unitholder. In other words, the remaining units will be compulsorily redeemed and this compulsory redemption will be processed without consent of or notification to the investors. There are no other circumstances of compulsory redemption.

Settlement

Payment of the subscription monies must be made at the time of application. Payment must be made in RMB in cleared funds.

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on the Type 1 (dealing in securities) regulated activity under Part V of the Securities and Futures Ordinance.

Proceeds from redemption will be paid in RMB to the registered Unitholder by telegraphic transfer usually within 7 Hong Kong Dealing Days, upon proper receipt by the Hong Kong Representative of the documents necessary to complete the redemption.

Please note that payment of redemption proceeds may be deferred in the circumstances as set out in the sub-section headed “(VII) Suspension of Redemption or Deferral Payment of Redemption Monies” under the section headed “VII. Subscription, Redemption and Switching of Units” of the Prospectus. In these circumstances, the extended time frame for the payment of redemption proceeds shall reflect the additional time needed in light of the specific situations and the redemption proceeds will be made to the Unitholders as soon as practicable. In any event, the payment of redemption proceeds will be made within 20 Business Days after the Fund Manager accepts and confirms the redemption requests.

All bank charges incurred in making the redemption payment will be borne by the redeeming Unitholder. Investors should check with authorised distributors or the Hong Kong Representative for further details.

For dealing in Units through authorised distributors, investors are advised to obtain information on settlement from the distributors concerned.

Changes to information and Anti-money Laundering Checks

If there is any change in the information contained in a Unitholder's application form or the Unitholder's personal information or details, the Unitholders should notify the Hong Kong Representative or the relevant authorised distributor (who in turn will notify the Fund Manager) in writing of any such change and furnish the Hong Kong Representative or the relevant authorised distributor with such additional documents relating to such change as the Hong Kong Representative, or the relevant authorised distributor or the Fund Manager may request.

In the event of delay or failure to produce any documents or information required for verification of identity or legitimacy of subscription monies, the Fund Manager, the Fund Custodian, the Hong Kong Representative and/or the relevant authorised distributor may refuse to accept an application and the subscription moneys relating thereto. Further, they may delay in paying any redemption proceeds if a Unitholder delays in producing or fails to produce any documents or information required for the purposes of verification of identity, and may refuse to make payment to a Unitholder if either of them suspects or is advised that (i) such payment may result in a breach or violation of any anti-money laundering law or other laws or regulations by any person in any relevant jurisdiction; or (ii) such refusal is necessary or appropriate to ensure compliance with any such laws or regulations in any relevant jurisdiction.

NOMINEE ARRANGEMENTS AND UNITHOLDER MEETINGS

For Hong Kong investors subscribing the Units through the Hong Kong Representative, the holding of units in the Fund will be through JPMorgan Investor Services (Asia) Limited (the “**Nominee**”), an associated company of the Hong Kong Representative.

The Hong Kong Representative has appointed the Nominee, under the terms of the nominee agreement, to hold the units on behalf of the Hong Kong investors in accordance with the terms and conditions which are summarised below: -

- (i) The Hong Kong Representative acting as agent for each Hong Kong Unitholder may:

- a. place any orders for the sale or purchase of units held or to be held by the Nominee for the account of that Hong Kong Unitholder;
 - b. without further instructions from that Hong Kong Unitholder, direct the Nominee or the Fund to procure that, or cause, any dividends or other entitlements or redemption proceeds paid or payable in respect of any such units to be paid directly to the Hong Kong Representative on behalf of that Hong Kong Unitholder. Any such dividends or proceeds will be applied by the Hong Kong Representative in accordance with the relevant Hong Kong Unitholder's instructions from time to time.
- (ii) Subject to the above, instructions in connection with any units held for a Hong Kong Unitholder's account will only be given to the Nominee by the Hong Kong Representative acting as agent for that Hong Kong Unitholder. Each of the Hong Kong Representative and the Nominee will act on any instructions given to it by that Hong Kong Unitholder and the Hong Kong Representative, respectively, provided that each of the Hong Kong Representative and the Nominee receives sufficient notice to enable it to so act (that period of notice to be determined, in its absolute discretion, by the Hong Kong Representative).
- (iii) The Hong Kong Representative and other relevant parties, including the Fund Manager, shall be indemnified by each Hong Kong Unitholder against any actions, proceedings, claims, losses, damages, taxes, costs and expenses which may be brought against, suffered or incurred by any or all of them arising either directly or indirectly out of or in connection with the Hong Kong Representative's or the Nominee's accepting, or relying on any instructions given or purported to be given by or on behalf of that Hong Kong Unitholder or given by the Hong Kong Representative provided that the Hong Kong Representative or the Nominee, as the case may be, acts in good faith, unless due to the wilful default, negligence or fraud of the Hong Kong Representative or any other relevant party.
- (iv) Any taxes incurred by the Nominee in respect of any units held on account of that Hong Kong Unitholder shall be the responsibility of each Hong Kong Unitholder.

For Hong Kong investors subscribing the Units through authorized distributors, they should contact the relevant authorised distributor to find out details of the applicable nominee arrangement.

The Nominee or each authorised distributor, as the case may be, will keep a record of the underlying Hong Kong Unitholders on behalf of whom it holds units in the Fund. Because of the nominee arrangement, the Nominee or each authorised distributor, as the case may be, will be recorded as holder on the register of the Fund (nominee account holder). The underlying Hong Kong Unitholders will not be recorded as the holder of the relevant units. The Nominee or each authorised distributor, as the case may be, will be entitled to exercise the rights as a holder of units (including but not limited to voting rights, the right to take legal action against the Fund Manager and the Fund Custodian), instead of the individual underlying Hong Kong Unitholders.

The Fund Manager will communicate details of all Unitholder Meetings such as meeting date, time and the resolutions relating to the Fund to the Nominee or the authorised distributors, as the case may be, who are expected to further notify the underlying Hong Kong Unitholders such details, together with the voting arrangements as soon as practicable. The Nominee or any authorised distributors in Hong Kong, under the provisions of the Fund

Contract and without prejudice to the interests of the Unitholders, provides services to the underlying Hong Kong Unitholders of Class H Unit. The services include requesting the Unitholder Meetings by proxy, convening the Unitholder Meetings by proxy, attending the Unitholder Meetings by proxy, voting in the Unitholder Meetings by proxy, etc. The Nominee or the authorised distributors, as the case may be, will consolidate the voting instructions from the underlying Hong Kong Unitholders and submit such voting instructions to the Fund Manager. These instructions will be processed pursuant to the provisions of the Fund Contract.

Investors must comply with the arrangements and deadlines specified by the Nominee or the relevant authorised distributors, as the case may be, in order to participate in the voting process in Unitholder Meetings.

Hong Kong investors should note that their investment via these nominee arrangements does not have any direct contractual relationship with the Hong Kong Representative or the Fund Manager. Although the underlying Hong Kong Unitholders are the beneficial owners of the units, legally the units are owned by the Nominee or the relevant authorised distributors, as the case may be. In these circumstances, the underlying Hong Kong Unitholders do not have any direct contractual relationship with the Hong Kong Representative (save for the circumstances where the Hong Kong Unitholders subscribed the Units directly through the Hong Kong Representative) or the Fund Manager, and therefore will not have direct recourse on the Hong Kong Representative (save for the circumstances where the Hong Kong Unitholders subscribed the Units directly through the Hong Kong Representative) or the Fund Manager as Hong Kong Unitholders can only pursue claims through the Nominee or the relevant authorised distributor, as the case may be.

Hong Kong investors should consider the above and understand the difference in position as a result of holding units by way of a nominee arrangement. In particular, Hong Kong investors will exercise their rights in the Fund through a nominee, whereas Mainland China investors holding units directly are entitled to exercise their rights in the Fund directly.

NET ASSET VALUE

Publication of the Net Asset Value per Unit

The Net Asset Value per Unit shall be made available on each Hong Kong Dealing Day on the website of the Hong Kong Representative at www.jpmorganam.com.hk. This website has not been reviewed by the SFC.

Suspension of Valuation and Dealing

Any suspension of the determination of the Net Asset Value of the Fund and the subscription or redemption of units of the Fund will be announced as soon as practicable following such decision and within the timeframe as required under applicable regulations on the website of the Hong Kong Representative at www.jpmorganam.com.hk. For any suspension or deferral of dealings of the Fund requiring notification to the CSRC, the SFC shall also be notified correspondingly.

Investors should note that the aforesaid website has not been reviewed by the SFC.

DISTRIBUTION

Please refer to the section headed “**XII. Fund Income and Distribution**” of the Prospectus for the distribution policy applicable to Class H Units, except that the Class H Unitholders

currently are not offered the option of reinvestment of distributions (if declared). Investors will be notified when reinvestment option is available.

Distributions may be paid out of accrued net distributable income carried over from the previous financial year(s), which amount to distributions out of capital under Hong Kong regulatory disclosure requirements.

Investors should note that where the payment of dividends are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount originally invested or capital gains attributable to that, and may result in an immediate decrease in the value of the Class H Units and will reduce any capital appreciation for the Unitholders of such Class H Units.

The composition of the distributions in respect of the Class H Units (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months[#] are available by the Hong Kong Representative on request and also on the website www.jpmmorganam.com.hk. Investors should note that the aforesaid website has not been reviewed by the SFC.

The Fund Manager may amend the dividend policy with respect to payment of distribution out of capital of the Class H Units subject to obtaining the prior regulatory approval and by giving not less than one month's prior notice to Unitholders.

[#] *This refers to a rolling 12 month period after date of launch of the class.*

FEES AND EXPENSES

The attention of prospective investors is drawn to details of the fees and expenses relating to the Fund as set out in the sections headed **"VII. Subscription, Redemption and Switching of Fund Units"** and **"XIII. Expenses and Taxes of the Fund"** of the Prospectus.

Subscription of Class H Units is subject to a subscription fee of up to 5% of the subscription amount. The subscription fee is payable to the relevant authorised distributors or the Hong Kong Representative, as the case may be. An illustrative example of the subscription fee is set out below for reference:

Example: Assuming that an investor invests RMB 10,000 to subscribe for Class H Units, the rate of the applicable subscription fee is 5%, and the net asset value per Unit on a Hong Kong Dealing Day is RMB 1.5, then the number of units to be allotted shall be calculated as follows:

$$\text{Subscription fee} = (\text{RMB } 10,000 \times 5\%) / (1+5\%) = \text{RMB } 476.19$$

$$\text{Net subscription proceeds} = \text{RMB } 10,000 - \text{RMB } 476.19 = \text{RMB } 9,523.81$$

$$\text{Number of units subscribed} = \text{RMB } 9,523.81 / \text{RMB } 1.5 = 6,349.21 \text{ units}$$

Therefore, the investor receives 6,349.21 Class H Units in the Fund by investing RMB 10,000 in the above example.

Redemption of Class H Units is subject to a redemption fee of 0.13% (maximum: up to 0.5%) of the redemption amount. The redemption fee is payable to the Fund. For the avoidance of doubt, the arrangement that no less than 25% of the total redemption fees should be credited to the property of the Fund as set out in the sections headed **"VII. Subscription,**

Redemption and Switching of Fund Units” is not applicable for Class H Units.

An illustrative example of the redemption fee is set out below for reference:

Example: Assuming that an investor redeems 10,000 Units from the Fund, and the net asset value per Unit on a Hong Kong Dealing Day is RMB 1.5, then redemption proceeds to be paid to the investor shall be calculated as follows:

Total redemption amount = 10,000 × RMB 1.5 = RMB 15,000

Redemption fee = RMB 15,000 × 0.13% = RMB 19.5

Net redemption proceeds = RMB 15,000 – RMB 19.5 = RMB 14,980.5

Therefore, the investor receives RMB 14,980.5 for the redemption effected in the above example.

TAXATION

Investors may refer to the Prospectus for more information on the possible tax implications. Investors should inform themselves of, and where appropriate consult their professional advisors on, the possible tax consequences of subscribing for, buying, holding, converting, redeeming or otherwise disposing of Units under the laws of their country of citizenship, residence, or domicile or incorporation.

Mainland China

(A) Taxation for Hong Kong Investors under MRF

On 18 December 2015, The Ministry of Finance, the State of Administration of Taxation and the CSRC jointly released the Caishui [2015] No.125 (the **“Notice”**) which specifies the Mainland China taxation for investments in Mainland China securities investment funds under MRF (**“Recognised Mainland Funds”**) by Hong Kong investors or investors in Hong Kong (**“Hong Kong Investors”**), and as set out below:

Corporate Income Tax (“CIT”) and Individual Income Tax (“IIT”)

Income derived from disposal gains of Recognised Mainland Funds by Hong Kong Investors (either corporate investors or individual investors) is temporarily exempt from income tax (including CIT and IIT respectively). Income derived by Hong Kong Investors from distributions from Recognised Mainland Funds would not be subject to income tax (including CIT and IIT respectively) again as such taxes already been withheld by PRC listed companies / issuers of bonds at time of distribution to Recognised Mainland Funds.

Business Tax (“BT”)

BT is temporarily exempted on the income derived from disposal gains of Recognised Mainland Funds by Hong Kong Investors.

Stamp Duty

Mainland China Stamp Duty is temporarily not payable by Hong Kong Investors for the subscription, redemption, purchase, sales, transfer or inheritance of units/shares of Recognised Mainland Funds.

(B) Taxation for Mainland China Securities Investment Fund

Pursuant to Caishui [2008] No. 1, gains realized from the trading of Mainland China shares and bonds, dividend from Mainland China shares, interest from Mainland China bonds and other income by Mainland China securities investment fund shall be temporarily exempted from CIT.

Pursuant to Caishui [2002] No. 128, listed companies and issuers of bonds should withhold 20% IIT from payment of dividends or interest to a Mainland China securities investment fund. However, distribution derived by Hong Kong investors (either corporate investors or individual investors) should be subject to income tax (on a withholding basis) at the rates of 10% and 7% respectively for dividends and interests declared – which would be withheld at the time when the Mainland China issuers (as withholding agent) distributes to Recognised Mainland Funds on the portion of dividends and interests attributable to Hong Kong Investors pursuant to the Notice.

In addition, sale of A-Shares and B-Shares ("**Mainland Shares**") is subject to Mainland China stamp duty at a rate of 0.1% of the total proceed. However, the purchase of Mainland Shares is not subject to PRC Stamp Duty.

Various tax reform policies have been implemented by the Mainland China government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is no assurance that current tax exemptions or incentives will not be abolished in the future. Investors should seek their own tax advice on their Mainland China tax position with regard to their investment in the Recognised Mainland Fund.

Hong Kong

Under current law and practice in Hong Kong, during such time as the Fund remains authorised by the SFC, it is not expected to be subject to any Hong Kong profits tax arising from the carrying on of its activities as described in the Prospectus and this Hong Kong Covering Document. Except as mentioned below, Unitholders will not be subject to any Hong Kong tax on distributions from the Fund or on capital gains realised on the sale of any Unit.

If the acquisition and redemption of units is or forms part of a trade, profession or business carried on in Hong Kong, gains realised by the relevant Unitholder may attract Hong Kong profits tax. Units will not attract Hong Kong estate duty and no Hong Kong stamp duty will be payable on the issue or transfer of units.

Foreign Account Tax Compliance Act

Sections 1471 – 1474 (referred to as "**FATCA**") of the U.S. Internal Revenue Code of 1986, as amended ("**IRS Code**") impose rules with respect to certain payments to non-United States persons, such as the Fund, including interest and dividends from securities of U.S. issuers and gross proceeds from the sale of such securities. All such payments may be subject to withholding at a 30% rate, unless the recipient of the payment satisfies certain requirements intended to enable the U.S. Internal Revenue Service ("**IRS**") to identify United States persons (within the meaning of the IRS Code) with interests in such payments. To avoid such withholding on payments made to it, a foreign financial institution (an "**FFI**"), such as the Fund (and, generally, other investment funds organised outside the U.S.), generally will be required to enter into an agreement (an "**FFI Agreement**") with the U.S. IRS under which it will agree to identify its direct or indirect owners who are United States persons and report certain information concerning such persons to the U.S. IRS.

In general, an FFI which does not sign an FFI Agreement or is not otherwise exempt will face a punitive 30% withholding tax on all **"withholdable payments"** derived from U.S. sources, including dividends, interest and certain derivative payments made on or after 1 July 2014. In addition, starting from 1 January 2019, gross proceeds such as sales proceeds and returns of principal derived from stocks and debt obligations generating U.S. source dividends or interest will be treated as **"withholdable payments"**.

Recognising that there may be legal issues with financial institutions entering into a FFI Agreement with the IRS, many governments have entered or will enter into an Inter-governmental Agreement ("**IGA**") with the IRS. The Mainland China government has not entered into an IGA with the United States as of the date hereof, although it has substantially negotiated such agreement and has been added to the "white list" countries treated as having an Model 1 IGA in place.

As of the date hereof, the Fund Manager has already registered with the U.S. IRS as a Registered Deemed-Compliant Financial Institution (including a reporting Model 1 FFI) and has obtained its Global Intermediary Identification Number. The Fund Manager acts as the sponsoring entity for the Fund. The Fund will rely on the Fund Manager for the purpose of complying with FATCA.

The Fund Manager and the Fund will endeavour to satisfy the requirements imposed under FATCA to avoid any withholding tax. In the event that the Fund is not able to comply with the requirements imposed by FATCA and the Fund does suffer U.S. withholding tax on its investments as a result of non-compliance, the Net Asset Value of the Fund may be adversely affected and the Fund may suffer significant loss as a result.

Each Unitholder and prospective investor should consult with his own tax advisor as to the potential impact of FATCA in its own tax situation.

REPORTS

Audited annual reports incorporating financial statements, unaudited half-yearly reports and quarterly reports shall be made available to each Unitholder in accordance with the section headed "**XV. Information Disclosure of the Fund**" of the Prospectus. Annual reports will be made available within 90 days after the end of each year. Semi-annual reports of the Fund will be made available within 60 days after the end of the first half of each year. Quarterly reports of the Fund will be made available within 15 Business Days after the end of each quarter.

Financial reports made available to Hong Kong investors will be supplemented with such additional information as required to be furnished to Hong Kong investors under the MRF arrangement (or otherwise required by the SFC from time to time).

All the above reports shall be made available to Unitholders electronically on www.jpmorganam.com.hk. Investors should note that the aforesaid website has not been reviewed by the SFC. Unitholders will be notified as and when these reports are available. These reports will be also made available for inspection at the registered office of the Hong Kong Representative.

DOCUMENTS AVAILABLE TO INVESTORS

Offering documents and ongoing disclosure of information of the Fund shall be made available to Mainland Chinese investors and Hong Kong investors at the same time, except for any notice to Mainland Chinese investors which is issued only in respect of classes of units of the Fund not available in Hong Kong and not relevant to Hong Kong investors, or relate solely to issues that have no impact on Hong Kong investors.

Copies of the following documents are available for inspection free of charge during normal business hours on weekdays (excluding Saturdays and public holidays) at the registered office of the Hong Kong Representative:-

- i. approval documents of the CSRC for the offering of the Fund
- ii. the Fund Contract of the Fund, as amended from time to time;
- iii. the Custody Agreement as referred to in the Prospectus;
- iv. the Prospectus of the Fund registered with the CSRC, this Hong Kong Covering Document and the Product Key Facts Statement, as amended from time to time;
- v. financial reports of the Fund under the above section headed “**Reports**”;
- vi. legal opinion (issued by Mainland China counsel);
- vii. the Hong Kong Representative Agreement;
- viii. notices of the Fund;
- ix. such other documents as are set out in the Prospectus to be available for public inspection.

Items (i), (iii), (vi) and (ix) will be available in simplified Chinese only. Items (ii) and (v) will be available in simplified Chinese and traditional Chinese only. Documents set out in items (iv) and (viii) will be available in English and traditional Chinese only. Item (vii) will be available in English only.

Investors may request for specific information regarding items (ii) and (v) in English by submitting a request in writing to the Hong Kong Representative. The Hong Kong Representative will respond to such request as soon as practicable.

Copies of documents set out in items (iv) and (v) may also be obtained, free of charge, upon request at the registered office of the Hong Kong Representative. Copies of the other documents set out above may be obtained upon payment of a reasonable fee upon request at the registered office of the Hong Kong Representative.

As regards item (iv), the Prospectus of the Fund shall normally be updated every six months; and the Hong Kong Covering Document and the Product Key Facts Statement shall be

updated where necessary to reflect corresponding changes.

Prospectus – March 2021

CIFM China Emerging Power Fund



Mainland-Hong Kong Mutual Recognition of Funds

Fund Manager:

China International
Fund Management

Main Distributor in Hong Kong:

J.P.Morgan
Asset Management

CIFM China Emerging Power Fund

Prospectus (Updated)

Effective Date of Fund Contract: July 13, 2011

Fund Manager: China International Fund Management Co., Ltd.

Fund Custodian: Agricultural Bank of China Limited

IMPORTANT NOTES

1. The Fund Manager guarantees that the contents of this Prospectus are true, accurate and complete;
2. This Prospectus has been approved by the CSRC, but the CSRC's approval of the offering of the Fund neither represents its substantive judgment or guarantee on the value and return of the Fund, nor indicates that there is no risk when investing in the Fund;
3. Investment involves risks. Investors should read this Prospectus carefully when making application (or subscription) for the Fund;
4. The Fund's past performance is not indicative of its future performance;
5. The Fund Manager shall manage and use the Fund's assets according to the principles of due diligence, honesty, good faith and prudence, but does not guarantee any profits or minimum returns of the Fund;
6. The Fund is allowed to invest in stocks listed on the STAR Market. Once invested in STAR Market-listed stocks, the Fund's assets will be exposed to unique risks caused by differences in investment targets, market systems and trading rules under the STAR Market mechanism, including but not limited to risks related to liquidity, delisting, investment concentration and market conditions, systematic risks, risks resulting from share-price fluctuations, and policy risks. The Fund may choose to invest, or not to invest, a portion of its assets in STAR Market-listed listed stocks, based on its investment strategies and changes in market conditions. The Fund's assets will not necessarily be invested in STAR Market-listed stocks.
7. The Fund is allowed to invest in Chinese depositary receipts. In addition to the common risks faced by other funds that only invest in the stocks listed on the Shanghai and Shenzhen Stock Markets, the Fund will also be exposed to the risks resulting from large price fluctuations of the Chinese depositary receipts and even large losses, as well as the risks associated with Chinese depositary receipts issuance mechanism.
8. When the Fund holds specific assets and there are, or there potentially will be substantive redemption applications, the Fund Manager can start the side pocket mechanism after performing the corresponding procedures. For details, please refer to the relevant chapters of the Fund Contract and this Prospectus. During the implementation of the side pocket mechanism, the Fund Manager will make a special mark on the Fund's abbreviation and will not process any subscription or redemption of the side pocket account. Unitholders of the Fund are requested to read the relevant content carefully and pay attention to the specific risks when the Fund implements the side pocket mechanism.
9. The updates to the relevant chapters of this Prospectus are based on the Administrative Measures on Issuance and Trading of Chinese Depositary Receipts (Trial) (promulgated and implemented by the CSRC on June 6, 2018) and the Guidelines on Introduction of Side Pocket Mechanism by Publicly Offered Securities Investment Funds (Trial) (promulgated by the CSRC on July 10, 2020 and implemented from August 1, 2020), as well as the relevant amendments of the Fund Contract and the Custody Agreement. The relevant contents contained in the "Fund Manager" chapter of this Prospectus are updated as of March 31, 2021. The cut-off date for the other data of this Prospectus is October 31, 2020 and the cut-off date for the data of the Fund's portfolios and the Fund's performance is September 30, 2020.

10. For the detailed information and relevant matters relating to Class H Units of the Fund, please refer to the Hong Kong Covering Document of the Fund. Investors of Class H Units of the Fund shall read the Prospectus in conjunction with the Hong Kong Covering Document of the Fund and Product Key Facts Statement of Class H Units.

March 2021

TABLE OF CONTENTS

I. PREFACE	4
II. DEFINITIONS	4
III. FUND MANAGER	9
IV. FUND CUSTODIAN	22
V. RELEVANT SERVICE INSTITUTIONS	25
VI. OFFERING OF THE FUND AND THE FUND CONTRACT TAKES EFFECT	39
VII. SUBSCRIPTION, REDEMPTION AND SWITCHING OF FUND UNITS	39
VIII. INVESTMENTS OF THE FUND	50
IX. PERFORMANCE OF THE FUND	64
X. ASSETS OF THE FUND	65
XI. VALUATION OF FUND ASSETS	66
XII. FUND INCOME AND DISTRIBUTION	74
XIII. EXPENSES AND TAXES OF THE FUND	77
XIV. ACCOUNTING AND AUDITING OF THE FUND	79
XV. INFORMATION DISCLOSURE OF THE FUND	80
XVI. SIDE POCKET MECHANISM	86
XVII. RISK DISCLOSURES	91
XVIII. ALTERATION AND TERMINATION OF THE FUND CONTRACT AND LIQUIDATION OF ASSETS OF THE FUND	95
XIX. SUMMARY OF THE FUND CONTRACT	98
XX. SUMMARY OF THE FUND CUSTODY AGREEMENT	127
XXI. SERVICES TO UNITHOLDERS	141
XXII. OTHER MATTERS TO BE DISCLOSED	141
XXIII. AVAILABILITY AND INSPECTION OF THE PROSPECTUS	142
XXIV. DOCUMENTS AVAILABLE FOR INSPECTION	142

I. PREFACE

The Prospectus is prepared in accordance with *Securities Investment Fund Law of the People's Republic of China* and other relevant laws and regulations, as well as the *Fund Contract of CIFM China Emerging Power Fund* (hereinafter referred to as the “Contract” or “Fund Contract”).

The Prospectus sets forth all necessary matters related to the investment decisions of investors, such as the investment objectives, strategies, risks and rates of CIFM China Emerging Power Fund (hereinafter referred to as “the Fund” or “Fund”), and investors should read the Prospectus carefully before making investment decisions.

The Fund Manager undertakes that there is no false content, misleading statement or material omission in this Prospectus, and accepts legal liability for its truth, accuracy and completeness. The application for the offering of the Fund is based on the information stated in the Prospectus. The Fund Manager does not entrust or authorise any other person to provide information which is not stated in the Prospectus nor to make any interpretation or explanation of the Prospectus.

The Fund Manager undertakes to manage and use the Fund's assets according to the principles of honesty, good faith, diligence and prudence, but does not guarantee any profits or minimum returns of the Fund. The Fund will be issued according to the information stated in the Prospectus.

This Prospectus is prepared according to the Fund Contract and is approved by the CSRC. The Fund Contract is a legal document that stipulates the rights and obligations of the parties concerned. The Prospectus mainly discloses information about matters related to the Fund to the investors, and serves as an invitation for the offer based on which investors can choose and decide whether they will invest in the Fund. Fund investors will become Unitholders and parties to the Fund Contract once the fund units are obtained pursuant to the Fund Contract. Their holding of fund units is in itself an acknowledgment and acceptance of the Fund Contract, and they will be entitled to the rights and will assume the obligations pursuant to the *Funds Law*, the Fund Contract and other relevant provisions.

Fund Investors should read the Fund Contract carefully for the purpose of understanding the rights and obligations of the Unitholders.

II. DEFINITIONS

Unless otherwise specified herein, the following terms or abbreviations in this Prospectus shall have the meanings given below:

1. Fund or the Fund: CIFM China Emerging Power Fund.
2. Fund Manager or the Fund Manager: China International Fund Management Co., Ltd.
3. Fund Custodian or the Fund Custodian: Agricultural Bank of China Limited.
4. Fund Contract: *Fund Contract of CIFM China Emerging Power Fund* and any valid amendments or supplements made thereto.
5. Custody Agreement or the Custody Agreement: *Custody Agreement of CIFM China Emerging Power Fund* entered into between the Fund Manager and the Fund Custodian in respect of the Fund, and any valid amendments or supplements made thereto.

6. Prospectus or the Prospectus: *CIFM China Emerging Power Fund Prospectus* and updates thereof.
7. *Fund Units Offering Announcement: Offering Announcement of Units of CIFM China Emerging Power Fund.*
8. Laws and Regulations: The prevailing valid laws, administrative statutes, judicial interpretations, departmental rules, local statutes, local governmental rules promulgated in China and other regulatory documents which have binding effect on the Parties to the Fund Contract, and the amendments made thereto from time to time.
9. *Funds Law: The Securities Investment Fund Law of the People's Republic of China* which was revised by the 30th session of the Eleventh Standing Committee of the National People's Congress on December 28, 2012 and implemented since June 1, 2013, and the amendments made thereto by the promulgation authority from time to time.
10. *Measures on Sales: Supervision and Administrative Measures on Sales Agencies of Publicly Offered Securities Investment Funds* which was issued by the CSRC on August 28, 2020 and implemented on October 1, 2020, and the amendments made thereto by the promulgation authority from time to time.
11. *Measures on Information Disclosure: Administrative Measures on Information Disclosure of Publicly Offered Securities Investment Funds* which was issued by the China Securities Regulatory Commission (CSRC) on July 26, 2019 and implemented on September 1, 2019, and the amendments made thereto by the promulgation authority from time to time.
12. *Measures on Operation: Administrative Measures on the Operation of Publicly Offered Securities Investment Funds*, and the amendments made thereto by the promulgation authority from time to time.
13. "Liquidity Risk Management Regulations" refers to the "Liquidity Risk Management Regulations for Publicly-Offered Open-End Equity Investment Funds" issued by the China Securities Regulatory Commission (CSRC) on August 31, 2017, and implemented on October 1 of the same year, including amendments made thereto by the promulgation authority from time to time.'
14. China or the PRC: The People's Republic of China, which for the purpose of the Fund Contract, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region.
15. CSRC: China Securities Regulatory Commission.
16. Banking Regulatory Authority: China Banking and Insurance Regulatory Commission.
17. Parties to the Fund Contract: Legal entities that are bound by the Fund Contract and that are entitled to the rights and assume the obligations thereunder, including the Fund Manager, the Fund Custodian and Unitholders.
18. Individual Investors: Natural persons who satisfy the conditions of laws and regulations for investing in securities investment funds.

19. Institutional Investors: Institutions which satisfy the laws and regulations for investing in securities investment funds and are registered in the People's Republic of China or established with the approval of competent government departments.
20. Qualified Foreign Institutional Investors or QFIIs: Foreign institutional investors in China which comply with the *Measures on Administration of Domestic Securities Investments of Qualified Foreign Institutional Investors* and other relevant laws and regulations for investing in securities in China.
21. Fund Investors: Individual investors, institutional investors and qualified foreign institutional investors (QFIIs), as well as other investors who are allowed to purchase securities investment funds pursuant to the laws and regulations or under CSRC.
22. Unitholders: Investors who lawfully acquire the fund units according to the Prospectus or the Fund Contract.
23. Sales Business of the Fund: Businesses of promotion and recommendation, application, subscription, redemption, switching, non-trading transfer, agency transfer, and periodic subscription investment of the Fund, etc.
24. Sales Institutions: Direct Sales Institution and Sales Agencies.
25. Direct Sales Institution: China International Fund Management Co., Ltd.
26. Sales Agencies: Institutions that satisfy the conditions in the Measures on Sales and other conditions specified by the CSRC, are qualified for carrying out fund sales agency business and have signed a fund sales service agency agreement with the Fund Manager to carry out fund sales business on its behalf.
27. Fund Sales Outlets: Direct sales centers of the Direct Sales Institution and outlets of Sales Agencies.
28. Registration Business: Registration, depository, transfer, clearing and settlement of the Fund, including the opening and management of Investors' fund accounts, registration of Fund Units, confirmation, clearing and settlement of Sales Business of the Fund, distribution of dividends on behalf of the Fund, establishment and keeping of the register of the Unitholders, etc.
29. Registrars: Institutions that process Registration Business. The Registrars of the Fund are China International Fund Management Co., Ltd. or institutions appointed by China International Fund Management Co., Ltd. to process the Registration Business of the Fund on its behalf.
30. Fund Accounts: Accounts opened at the Registrars for Investors, for the purpose of recording the balances and the changes of the fund units that are held by such Investors and managed by the Fund Manager.
31. Fund Trading Accounts: Accounts opened at the Sales Institutions for Investors, for the purpose of recording the changes and the balances of the fund units of the Unitholders as a result of the dealings traded through such Sales Institutions.

- 32. **Effective Date of Fund Contract:** The date on which laws and regulations and conditions of filing agreed in the Fund Contract are met upon the expiry of the Initial Offer Period of the Fund and on which the Fund Manager has completed the filing procedures with and obtained a written confirmation of its filing from CSRC.
- 33. **Termination Date of Fund Contract:** The date on which the Fund Contract is terminated according to the procedures specified therein after any Fund Contract Termination Event specified in the Fund Contract has occurred.
- 34. **Initial Offer Period of the Fund:** The period from the date on which the offering of fund units begins to the date on which the offering ends, provided that the period shall not exceed three months.
- 35. **Duration:** The indefinite period from the Effective Date of Fund Contract to the date when the Fund Contract is terminated.
- 36. **Business Day:** A normal trading day of Shanghai Stock Exchange and Shenzhen Stock Exchange.
- 37. **Day:** Calendar day.
- 38. **Month:** Calendar month.
- 39. **T Day:** A Business Day on which the valid applications of Investors are accepted by the Sales Institutions during the specified period of time.
- 40. **T +n Day:** The nth Business Day after T Day (excluding T Day).
- 41. **Dealing Day:** A Business Day on which Subscription, Redemption or other businesses of fund units are processed for the Fund Investors.
- 42. **Trading Hours:** The hours in a Dealing Day during which Subscription, Redemption or other transactions of the Fund are accepted.
- 43. **Application:** An Investor's application for purchasing certain fund units within the Initial Offer Period of the Fund.
- 44. **Subscription:** An Investor's application for purchasing certain fund units within the Duration of the Fund.
- 45. **Redemption:** A Unitholder's request of selling fund units pursuant to the conditions set forth in the Fund Contract within the Duration of the Fund.
- 46. **Fund Switching:** A Unitholder's switching of the units of the Fund into the units of other funds managed by the Fund Manager pursuant to the Fund Contract and the announcement of the Fund Manager as then in force.
- 47. **Agency Transfer:** In relation to the fund units held by a Unitholder between different Sales Institutions of the Fund, means the change of such Sales Institutions.

48. Substantial Redemption: The net applications for Redemption of the Fund (i.e. the balance of the sum of total applications for Redemption of units and total applications for switching out from the Fund upon Fund Switching after deducting the sum of total applications for Subscription of units and the total applications for switching into the Fund upon Fund Switching) received on a single Dealing Day of the Fund exceeding 10% of the total fund units on the preceding day.
49. Yuan: RMB Yuan.
50. Fund Income: The balance after deducting the relevant fees from the sum of interest income, investment gains, gains from movements of fair value and other income of the Fund.
51. Total Asset Value of the Fund: The total value of all types of marketable securities, principals and interests of bank deposits, monies receivable from Subscription of the Fund and other assets possessed by the Fund.
52. Net Asset Value (NAV) of the Fund: The net asset value calculated by deducting liabilities of the Fund from the Total Asset Value of the Fund.
53. NAV per Fund Unit: The value resulting from the NAV of the Fund on the calculation day divided by the total number of fund units on the calculation day.
54. Valuation of Fund Assets: The process of valuation of assets and liabilities of the Fund in order to determine the NAV of the Fund and the NAV per Fund Unit.
55. “Assets with restricted liquidity” refers to assets that cannot be realised at a reasonable price as prescribed by laws, regulations, regulatory authorities or contracts or transactional constraints, including but not limited to reverse repurchases and bank term deposits (including bank deposits with agreed terms and conditions for early withdrawal) with a maturity longer than 10 trading days, shares suspended from trading, new shares with circulation restrictions and shares issued through private placement, asset-backed securities and bonds which cannot be transferred or traded due to default by issuer.
56. Fund Unit Classification: The fund units are classified into two classes based on the sales location of the Fund and the fee rates of Subscription and Redemption. Different fund codes are assigned to these two classes of fund units respectively, and the NAV per Fund Unit shall be announced separately.
57. Class A Unit: Such fund units are only sold in Mainland China, and Subscription fee and Redemption fee shall be charged to such fund units.
58. Class H Unit: Such fund units are only sold in Hong Kong, China, and Subscription fee and Redemption fee shall be charged to such fund units.
59. Designated Media: The newspapers, websites of the Fund Manager and the Fund Custodian and other media designated by the CSRC for information disclosure.
60. *Business Rules*: The *Business Rules on Open-end Funds of China International Fund Management Co., Ltd.* established to standardise the registration of the open-end securities investment funds under the management of the Fund Manager.

61. Side Pocket Mechanism: The separation of specific assets in the Fund's investment portfolio from the original account to a special account for disposal and liquidation. The purpose is to effectively separate and resolve risks and ensure that investors are treated fairly. It is a liquidity risk management tool. During the implementation of the side pocket mechanism, the original account is referred to as the main pocket account, and the special account is referred to as the side pocket account.
62. Specific Assets: Including: (1) Assets that have no reference active market prices and the use of valuation techniques still leads to significant uncertainty in their fair value; (2) Assets that are measured at amortized cost and the provision for asset impairment still leads to major uncertainties in the value of assets; and (3) Other assets with major uncertainties in the value of assets.
63. Force Majeure: Events that cannot be foreseen, defied or avoided by the Parties to the Fund Contract and occur after execution of the Fund Contract by the Fund Manager and the Fund Custodian, and that make the Parties to the Fund Contract fail from performing the Fund Contract in whole or in part, including but not limited to floods, earthquakes and other natural disasters, wars, chaos, fires, government forfeiture, confiscation, changes of laws and regulations, sudden power failures or other sudden incidents, and unusual suspension or discontinuation of trading on securities exchanges.

III. FUND MANAGER

(I) Profile of the Fund Manager

The Fund Manager of the Fund is China International Fund Management Co., Ltd., whose basic information is as follows:

Registered Address: 25/F, Aurora Plaza, No. 99, Fucheng Road, China (Shanghai) Pilot Free Trade Zone

Business Address: 25/F, Aurora Plaza, No. 99, Fucheng Road, China (Shanghai) Pilot Free Trade Zone

Legal representative: Chen Bing

General manager: Eddy Wong

Date of establishment: May 12, 2004

Paid-up registered capital: RMB 250 million

Name of shareholders, shareholding structure and shareholding ratio:

Shanghai International Trust & Investment Co., Ltd.	51%
---	-----

JP Morgan Asset Management (UK) Limited	49%
---	-----

China International Fund Management Co., Ltd. is a joint venture fund management company established on May 12, 2004 upon the approval of CSRC Zheng Jian Ji Zi [2004] No.56. On August 12, 2005, the Fund Manager completed the issues in relation to changes in shareholding

between shareholders. The registered capital of the Fund Manager remained unchanged. The shareholders' capital contribution ratios of Shanghai International Trust & Investment Co., Ltd. and JP Morgan Asset Management (UK) Limited have been changed from 67% and 33% to the current ratios of 51% and 49% respectively.

On June 6, 2006, the name of the Fund Manager was changed from "Shanghai Investment Morgan Fleming Fund Management Co., Ltd." to "China International Fund Management Co., Ltd.". The approval of CSRC has been obtained on April 29, 2006 with respect to the change of name, and all formalities related to the change have been completed at the State Administration for Industry and Commerce on June 2, 2006.

On March 31, 2009, the registered capital of the Fund Manager increased from RMB 150 million to RMB 250 million, and the proportion of shareholders' capital contributions remained unchanged. All formalities related to the change have been completed at the State Administration for Industry and Commerce on March 31, 2009.

There is no record that the Fund Manager has been subject to any penalty.

(II) Information of Key Personnel

1. Basic information of members of the Board of Directors:

Chairman: Chen Bing

Holder of a Ph.D. degree and Senior Economist.

Chen Bing was formerly the General Manager of Capital & Finance Division of Dalian Branch, Assistant to General Manager of Capital & Finance Division of Head Office, and General Manager of Management Accounting Division and Wealth Management Division of the Personal Banking Headquarters of Head Office of Shanghai Pudong Development Bank. He also served as the Deputy General Manager & Board Secretary, Deputy Party Committee Secretary, and General Manager of Shanghai International Trust Co., Ltd.

He is now the Party Committee Secretary and General Manager of Shanghai International Trust Co., Ltd.; and the Chairman of China International Fund Management Co., Ltd.

Directors:

Director: Paul Bateman

Bachelor's degree

Paul Bateman was formerly the Global Head of Chase Fleming Asset Management Limited and CEO of JP Morgan Asset Management's global investment management business.

He is currently the Global Chairman of JP Morgan Asset Management, a member of the Asset Management Operations Committee and a member of the Investment Committee.

Director: Daniel J. Watkins

Bachelor's degree.

Mr. Watkins formerly served as Deputy Chief Executive Officer for European Operations, Chief Operations Officer of J.P. Morgan Asset Management (Europe), Director of Global Investment Management Operations, Director of European Operations, Director of European Transfer Agency Operations, Director of Luxembourg Operations, Manager of European Transfer Agency and London Investment Operations and manager of the Flemings Investment Operations Teams.

He is currently the Chief Executive Officer and is a member of the Asset Management Operations Committee and the Asia Pacific Management Board at J.P. Morgan Asset Management (Asia).

Director: Richard Titherington

He obtained an M.A. in Politics, Philosophy and Economics from Oxford University.

He was the head of the global emerging markets business of J.P. Morgan Asset Management.

He is the managing director, and the Chief Investment Officer of the Emerging Markets and Asia Pacific Equities team of J.P. Morgan Asset Management.

Director: Eddy Wong

Bachelor's degree.

He formerly served as Head of Funds Business in Hong Kong and Mainland China of JP Morgan Asset Management, and Chairman and Head of JP Morgan Asset Management, Taiwan.

He is currently General Manager of China International Fund Management Co., Ltd.

Director: Chen Haining

Holder of a postgraduate degree and Economist.

He formerly acted as Assistant to General Manager of Financial Division, General Manager of Trade and Finance Division of Referendum Department, Vice Head, Party Committee Secretary. Head of Wuhan Branch and General Manager of the Asset and Liability Management Division at the head office of Shanghai Pudong Development Bank.

He is currently serving as General Manager of the Information Technology Department at the head office of Shanghai Pudong Development Bank.

Director: Lin Yiqiao

Master's Degree, qualified accountant, certified economist.

He was Assistant to General Manager of Investment Portfolio of Treasury Department of Shanghai Pudong Development Bank (SPDB) Headquarters, Assistant to General Manager of the Financial Market Department of SPDB Headquarters, Assistant to General Manager of SPDB Haikou Branch (temporary position), Assistant to General Manager of Financial Institution Department of SPDB Headquarters, and Deputy General Manager of Financial Market Department (Shenzhen) & Deputy General Manager of Financial Institution Department of SPDB Headquarters.

He is currently Compliance Officer of Corporate Business Sector of SPDB Headquarters.

Director: Zhou Ye

Master's Degree.

After joining Shanghai Pudong Development Bank (SPDB), he has been Deputy Section Chief of Personal Credit Department, Deputy Section Chief and Section Chief of the Office of Shanghai Branch. He was Assistant Manager, Deputy Manager of Sanlin Sub Branch and concurrently Manager of Kangqiao Industrial Zone Sub-Branch. He has also served as Deputy General Manager (presiding over the work) and General Manager of Retail Business Management Department, General Manager of Wealth Management Department and General Manager of Retail Business Department.

He is currently Assistant General Manager of Retail Business Department of SPDB Headquarters.

Independent Director: Liu Hongzhong

Ph.D.in Economics from the Department of International Finance.

Liu is currently a professor of School of Economics and Deputy Director of Financial Research Center of Fudan University. He concurrently serves as an Independent Director at Shenyin & Wanguo Futures Co., Ltd., Donghai Futures Co., Ltd., Industrial Securities Co., Ltd., Bank of Communications International Trust Co., Ltd., and is an External Director of Jin Jiang International (Holdings) Co., Ltd.

Independent Director: Alex Wong

Wang holds an MBA from the University of California, Los Angeles (UCLA), and is a Certified Public Accountant in California, US and China.

He formerly served as a partner in PricewaterhouseCoopers Financial Services and was a Managing Partner of Investment Management Industry at PwC China.

He currently serves as an Independent Director at China Merchants Securities Co., Ltd., Fosun United Health Insurance Co., Ltd., Asia-Pacific Property & Casualty Insurance Co., Ltd. and 51 Credit Card Inc., and is a Supervisor at Xuchang Biotechnology Co., Ltd. in Taiwan.

Independent Director: Jacob TSANG

Fellow member of the Association of Chartered Certified Accountants in the United Kingdom.

He was Director of Group Treasury of Hong Kong Jockey Club, member of the Products Advisory Committee of the SFC, Honorary Treasurer of Heep Hong Society and a member of its executive committee and investment sub-committee, chairman of the investment advisory committee of Sir David Trench Fund, Police Children Education Trust and Police Education and Welfare Trust, member of the ad hoc committee on funding management of Hong Kong Housing Society, member of global investor steering committee of the Alternative Investment Management Association (AIMA).

He is currently an Independent Advisor, an Independent Non-Executive Director of Amasse Capital Holding Limited, and part-time advisor to Allianz Global Investors H.K. Ltd.

Independent Director: Wang Xuejie

Holder of LL.B. from the East China University of Political Science and Law, and pre-SJD (an LL.M. equivalent) degree in civil and commercial law from Teikyo University (Japan).

He held the position of General Legal Consultant at the Overseas Business Office of Sunroute Japan, specialising in market development and company establishment in the Asia-Pacific region.

He currently serves as a Senior Partner and Lawyer at AllBright Law Offices (Shanghai).

2. Members of the Board of Supervisors:

Chairman of the Board of Supervisors: Ye Lijian

Holder of a Master's degree in management.

He previously held positions at Shanghai Huangpu State-Owned Assets General Company and the Investment Banking Department of Haitong Securities. Upon joining Shanghai International Trust Co., Ltd., he held the positions of Head of Capital Trust Headquarters, Head of Asset Management Headquarters and Head of Trust Development Headquarters.

He currently serves as Deputy General Manager of Shanghai International Trust Co., Ltd., General Manager of Shangxin Asset Management Co., Ltd. and Deputy Chair of the Shanghai Association of Stock System Enterprises.

Supervisor: Ben Leung

Bachelor's degree.

Liang previously worked as a lawyer at Clifford Chance (Hong Kong) for many years.

He is currently the Chinese General Counsel at JPMorgan Chase & Co.

Supervisor: Zhang Jun

Zhang Jun was formerly the Head of Trading Department, Fund Manager, Head of Investment Portfolio Management Department, Head of Investment Performance Appraisal, Head of International Investment Department, and Head of FOF Investment Department of China International Fund Management Co., Ltd.

He is currently the Investment Director of China International Fund Management Co., Ltd., managing CIFM Asia Pacific Advantage Mixed Securities Investment Fund, CIFM Global Natural Resources Mixed Securities Investment Fund and CIFM Global Multi-Asset Allocation Securities Investment Fund (QDII).

Supervisor: Wan Junchen

He was formerly the Senior Legal Manager of Shanghai International Group Co., Ltd; the Chief Risk Officer of China International Fund Management Co., Ltd.; and the Director of Sunward Capital Management Co., Ltd.

He is currently the General Manager of Sunward Capital Management Co., Ltd.

3. Basic information of General Manager:

Mr. Eddy Wong, General Manager.

Bachelor's degree.

He formerly served as Head of Funds Business in Hong Kong and Mainland China of JP Morgan Asset Management, and Chairman and Head of JP Morgan Asset Management, Taiwan.

4. Basic information of other senior executives:

Ms. Yang Hong, Deputy General Manager

Graduated from Tongji University with a Ph.D. in Economics of Technology and Management.

Ms. Yang previously served as the Deputy Business Manager of the Audit and Supervision Department, Deputy Manager of Sales Department & President of the Labour Union, Deputy General Manager of Retail Banking Department and General Manager of Consumer Credit Centre of the Shanghai Branch of China Merchants Bank. She also worked at Shanghai Branch of Shanghai Pudong Development Bank as the General Manager of the Personal Credit Department, General Manager of the Personal Banking Development and Management Department and General Manager of the Retail Business Management Department.

Mr. Du Meng, Deputy General Manager

Graduated from Nanjing University with a Master's degree in Economics.

He has successively served as researcher of Tiantong Securities Co., Ltd., Central China Securities Holdings Co., Ltd., Guosen Securities Holdings Co., Ltd., and BOCI Securities. He worked for China International Fund Management Co., Ltd. (CIFM) as Industry Expert, Portfolio Manager Assistant, Portfolio Manager, Assistant to General Manager/Director & Senior Portfolio Manager of the First Investment Division of Domestic Equity Investment.

Ms. Sun Fang, Deputy General Manager

Graduated from East China Normal University with a Master's degree in World Economics.

She has served successively as researcher of Fortune SG Fund. She worked for China International Fund Management Co., Ltd. (CIFM) as Industry Expert, Portfolio Manager Assistant, Deputy Director of Research Department, Fund Manager, Assistant to General Manager/Director & Senior Portfolio Manager of the Second Investment Division of Domestic Equity Investment.

Mr. Guo Peng, Deputy General Manager

Graduated from Shanghai University of Finance and Economics with a Master's degree in Business Administration.

He has served successively as Marketing Manager, Deputy Marketing Director, Product and Customer Marketing Director, Marketing Director & Internet Finance Director and Assistant to General Manager of China International Fund Management Co., Ltd.

Mr. Liu Ludan, Deputy General Manager

He holds a Doctor degree.

He was the Director of Fixed Income of China Asset Management Co., Ltd. and the Director/Managing Director of Fixed Income of Asset Management Department of China International Capital Corporation Limited.

Mr. Zou Shubo, Chief Compliance Officer.

Holder of a Bachelor's degree in management.

He was formerly the Senior Project Manager of Pan-China Certified Public Accountants, Chief Clerk of CSRC Shanghai Branch, Deputy Director and later Director of Compliance Department of China International Fund Management Co., Ltd.

Miss Lu Rong, Chief Information Officer

Holder of a Master's degree.

Lu previously served as Head of IT Department in First Capital Investment Banking Co. (Previous J.P. Morgan First Capital Securities Co.), CTO of Investment & Research Business Line in Harvest Fund Management Co., Ltd.

5. Portfolio manager of the Fund

Mr. Du Meng, the portfolio manager, has a Master of Science in Economics at Nanjing University, and has successively served as researcher in Tiantong Securities Co., Ltd., Central China Securities Holdings Co., Ltd., Guosen Securities Holdings Co., Ltd., and BOCI Securities. He joined China International Fund Management Co., Ltd. (CIFM) since October 2007 and concurrently acted as Industry Expert, Portfolio Manager Assistant, Portfolio Manager, Assistant to General Manager/Director of Domestic Equity Investment Department I and a veteran Portfolio Manager. He currently serves as Deputy

General Manager and Chief Investment Officer of CIFM. He has acted as the portfolio manager of CIFM China Emerging Power Fund from July 2011 and at the same time acted as the portfolio manager of CIFM Smart Choice 30 Mixed Securities Investment Fund from March 2013 to September 2015. He was also the portfolio manager of CIFM Growth Dynamic Mixed Securities Investment Fund from May 2013 to December 2014 and the portfolio manager of CIFM Domestic Demand Power Mixed Securities Investment Fund from December 2014 to April 2019. He has acted as the portfolio manager of CIFM China Advantage Securities Investment Fund since March 2019. He has also served as the portfolio manager of CIFM Vision 2-year Holding Period Mixed Securities Investment Fund since January 2021.

6. Names and positions of members of the Investment Decision-making Committee of the Fund Manager

Du Meng, Deputy General Manager and Chief Investment Officer; Sun Fang, Deputy General Manager and Deputy Chief Investment Officer; Liu Ludan, Deputy General Manager and Director of the Bond Investment Department; Zhang Jun, Senior Portfolio Manager; Zhu Xiaolong, Director of Research Department and Portfolio Manager; Nie Shuguang, Director of Bond Investment Department and a veteran Portfolio Manager; Meng Chenbo, Assistant to General Manager/Director of Currency Market Investment Department and a veteran Portfolio Manager; Ren Xiang, Director of Fixed Income Research Department and Portfolio Manager; Zhong Weilun, a veteran Investment Manager; Liu Lingyun, Director of Portfolio Fund Investment Department and Portfolio Manager; Zhang Wenfeng, Deputy Director of Portfolio Fund Investment Department and Investment Manager; Lei Yangjuan, Deputy Director of Bond Investment Department and a veteran Portfolio Manager; Ye Chengtao, Investment Manager; Du Xijie, Portfolio Manager; Ju Ting, Senior Portfolio Manager.

The persons listed above are not close relatives to each other.

(III) Duties and Responsibilities of the Fund Manager

1. To carry out the offering of the Fund according to the laws, and to undertake or entrust other institutions which are recognised by the securities supervisory authorities under the State Council to undertake the offer, subscription, redemption and registration of fund units;
2. To handle the procedures for filing of the Fund;
3. To carry out separate management, separate book-entry and securities investment for different fund assets under management;
4. To determine the income distribution of the Fund in accordance with the provisions of the Fund Contract and to distribute the income to the Unitholders in a timely manner;
5. To carry out accounting and audit for the Fund and to prepare financial accounts and reports of the Fund;
6. To prepare interim and annual reports of the Fund;

7. To calculate and publish the net asset value information of the Fund, and to determine the Subscription and Redemption prices per fund unit;
8. To issue notification in relation to the asset management activities of the Fund;
9. To convene a Unitholders' meeting;
10. To keep records, books and statements and other relevant information in relation to the asset management activities of the Fund;
11. To represent the Unitholders to exercise the right of action or to conduct other legal proceedings for the benefits of Unitholders in the capacity of the Fund Manager;
12. Any other duties and responsibilities as stipulated by the securities regulatory authorities under the State Council.

(IV) Undertakings of the Fund Manager

1. The Fund Manager shall have the full discretion to manage the investments of the Fund, pursuant to the provisions of the Fund Contract and in accordance with the investment objectives, strategies and restrictions stated in this Prospectus.
2. The Fund Manager shall not engage in any activities that violate the *Securities Law of the People's Republic of China* (hereinafter referred to as the Securities Law) and other relevant laws and regulations. The Fund Manager shall establish a sound internal control system and adopt effective measures to prevent any breach of the Securities Law or non-compliance with other relevant laws and regulations.
3. The Fund Manager shall not engage in any of the following activities that violate the *Funds Law* and shall establish a sound internal control system and adopt effective measures to prevent the occurrence of activities prohibited under the laws and regulations:
 - (1) To invest in other funds, except as otherwise stipulated by the State Council;
 - (2) To prejudice the interests of Unitholders, and to provide fund assets to a third party as security, guarantee, capital lending or loan, except as otherwise used for financing guarantee stipulated by relevant regulations of the state;
 - (3) To engage in any investments which may result in the Fund being subject to unlimited liabilities;
 - (4) To engage in securities underwriting;
 - (5) To invest fund assets in the securities issued or underwritten during the underwriting period by companies in which the Fund Custodian or the Fund Manager has material interests;
 - (6) To violate the securities trading rules and manipulate and interfere with market prices;
 - (7) To prejudice the interests of Unitholders by violating laws and regulations;
 - (8) Any other activities prohibited by laws and regulations as well as the requirements of regulatory authorities.

4. The Fund Manager shall enhance personnel management, strengthen professional code of conduct, urge the staff to comply with the relevant laws, regulations and industry standards, and to conform to the principles of honesty, good faith and due diligence, and shall not engage in the following activities:
 - (1) To operate beyond its authority or in violation of the rules;
 - (2) To violate the Fund Contract or Fund Custody Agreement;
 - (3) To prejudice the legitimate interests of Unitholders or other Fund related institutions deliberately;
 - (4) To falsify materials submitted to CSRC;
 - (5) To refuse, interfere, obstruct or severely influence the lawful supervision of CSRC;
 - (6) To ignore duty and abuse power;
 - (7) To disclose any confidential information regarding the securities or funds known during its term of office, or any information, such as the investment contents of the Fund or the investment details of the Fund, which has not been published according to law;
 - (8) To violate the rules of securities exchanges, interfere with market order;
 - (9) To disclose false, misleading and fraudulent contents in the public information disclosure intentionally;
 - (10) Any other activities prohibited by laws and regulations and the CSRC.
5. Undertakings of the portfolio manager
 - (1) Seek to maximise the benefits for the Unitholders based on prudence, pursuant to the provisions of relevant laws and regulations and the Fund Contract;
 - (2) Not to make improper gains for himself, his agents, representatives, employees or any other third parties by taking advantage of his position;
 - (3) Not to disclose any confidential information regarding the securities or funds known during his term of office, or any information, such as the investment details of the Fund or the investment plans of the Fund, which has not been published according to law;
 - (4) Not to conduct any securities transaction in any way for other organisations or individuals.

(V) Internal Control System:

1. Principles of internal control:

The internal control of the Fund Manager adheres to the following principles:

- (1) Principles of robustness. Internal control should cover various business, departments or organisations and various levels of staff of the Fund Manager as well as all operational aspects, including decision-making, implementation, supervision and feedback.

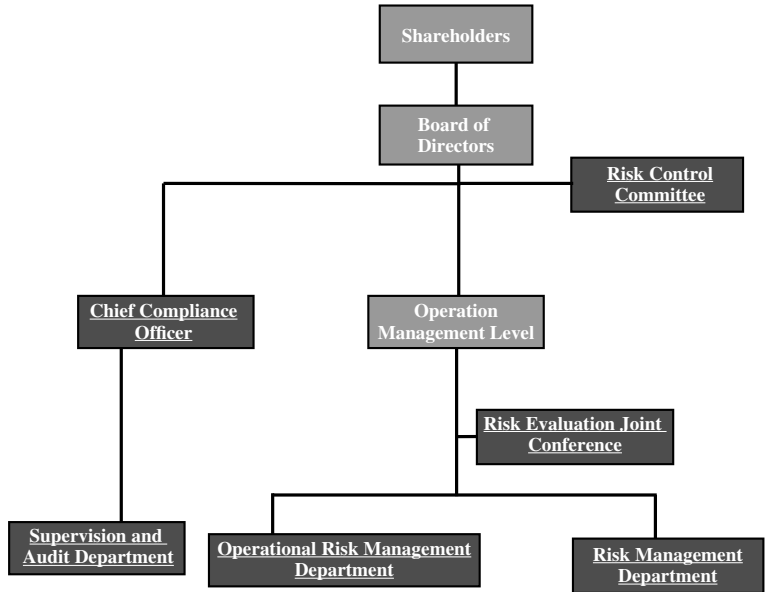
- (2) Principles of effectiveness. Effective internal control procedures are established by means of scientific internal control procedures and methods so as to ensure the effective implementation of internal control system.
 - (3) Principles of independence. The responsibility of each organisation, department and job position of the Fund Manager should remain independent from one other. The operation of fund assets, own assets and other assets of Fund Manager should be separated.
 - (4) Principles of check and balance. The setup of the Fund Manager's internal departments and posts shall be clear with their rights and obligations delineated and checks and balances reinforced.
 - (5) Principles of cost-effectiveness. Fund Manager reduces the cost of the business operations and enhances economic benefits by utilizing scientific management method, and achieves the best effects of internal control by controlling the cost reasonably.
2. The following principles should be adhered to in establishing internal control system:
 - (1) Principle of legality and compliance. The internal control system of Fund Manager shall comply with applicable laws, regulations, provisions and rules of the State.
 - (2) Principle of entirety. Internal control system should cover all aspects of the Fund Manager, no systematic gaps or loopholes should be left.
 - (3) Principle of prudence. Prudent operation, risk prevention and mitigation should be considered in the establishment of internal control system.
 - (4) Principle of timeliness. The internal control system should be modified or improved timely in line with any changes of related laws and regulations, and adjustments of internal and external environment such as adjustments of the Fund Manager's operation strategy, policy and philosophy.
3. The Fund Manager's representations on internal compliance control:
 - (1) The Fund Manager assures the authenticity and accuracy of the information disclosed above on internal control;
 - (2) The Fund Manager undertakes to improve its internal compliance control from time to time in light of the changes of the market and the developments of the Fund Manager.

4. Risk management system:

- (1) The board of directors has established the Risk Control Committee, which is mainly responsible for affairs including risk management strategy and control policy of the Fund Manager, and managing major unexpected risks.
- (2) The board of directors has appointed a Chief Compliance Officer, who is mainly responsible for the supervision of the legality and compliance of the Fund Manager's various business segments and internal auditing and monitoring of the Fund Manager. The inspector may report to the board of directors of Fund Manager and CSRC directly.
- (3) Risk Evaluation Joint Conference is set up under the operation management level to conduct risk assessment on management procedure in each department. Evaluation members include the operation management level, Chief Compliance Officer and department heads of Auditing, Risk Management, Fund Investment and Fund Operation Department. Risk Evaluation Joint Conference makes adequate evaluation and prevention of a variety of risks in advance, timely control the risks and take emergency measures.
- (4) Supervising and Auditing Department is responsible for risk control checking on all departments of Fund Manager, inspection of the execution of internal control system and the compliance with State laws and regulations as well as other provisions by various departments on a regular or irregular basis, and making proposals for revisions when appropriate.
- (5) The Operational Risk Management Department is responsible for the establishment and update of investment restrictions indicator system, monitoring any investments that violate the restrictions set in the system and the risk control evaluation.

- (6) The Operational Risk Management Department is responsible for assisting various departments in rectifying and amending internal control operation system, controlling and managing risk indicators on a regular or irregular basis based on evaluation of day-to-day operation of all departments and making recommendations on internal control.

**Risk management processes at China International
Fund Management Co., Ltd.**



IV. FUND CUSTODIAN

(I) Information of the Fund Custodian

1. Basic information

Name:	Agricultural Bank of China Limited (referred to as “Agricultural Bank of China”)
Domicile:	No.69, Jiauguomennei Avenue, Dongcheng District, Beijing
Office Address:	East Tower, Chemsunny World Trade Centre, No. 28, Fuxingmennei Street, Xicheng District, Beijing
Legal Representative:	Zhou Mubing
Date of establishment:	January 15, 2009.
Approval authority and approval document number:	China Banking Regulatory Commission Yin Jian Fu [2009] No.13
Fund custody approval document and number:	CSRC Zheng Jian Ji Zi [1998] No. 23
Registered capital:	RMB 349.983034 Billion
Duration of existence:	going concern
Telephone number:	010-66060069
Fax number:	010-68121816
Contact Person:	He Qian

Agricultural Bank of China is an important component of China’s financial system. The head office is located in Beijing. Approved by the State Council, Agricultural Bank of China was restructured to be Agricultural Bank of China Co., Ltd., and was established by law on January 15, 2009. Agricultural Bank of China inherits all the assets, liabilities, operations, network and outlets and employees of the original agricultural Bank of China. The outlets of Agricultural Bank of China cover urban and rural areas. It has become one of the largest state-owned commercial banks with the highest number of domestic outlets with the widest business outreach. It offers the most extensive areas of service and full spectrum of functional business. Agricultural Bank of China has also built up good reputation through its own efforts abroad. It was annually listed as one of the Top 500 Enterprises by The *Fortune* magazine. As a large-scale State-owned commercial bank that integrates the urban and county areas, communicates internationally and with full capabilities, Agricultural Bank of China has always adhered to the customer-centric business concept, insisted on prudent and sound operation and sustainable development. Having established itself in the two big markets of county and city, it has implemented differentiated competition strategy, paid efforts in building “Growing with you” service brand. It relies on its branch institutions coverage in the whole nation, huge electronic network and diversified financial products, and is committed to provide quality financial service for general public, create value and grow with the customers as a whole.

Agricultural Bank of China is one of China’s first batch of domestic commercial banks to establish custody business. It is well-experienced, offers quality service and delivers outstanding performance. It was awarded “China Best Custody Bank” by The Global Custodian in UK in 2004. Agricultural Bank of China passed the United States SAS70 audits of internal controls

in 2007 and received an unqualified opinion SAS70 audit report. Agricultural Bank of China has achieved International Standard on Internal Control (ISAE 3402) certification for custody business consecutively since 2010, which indicated that the sound effectiveness of risk management and internal control of the custody service processes in Agricultural Bank of China is fully recognised by an independent and impartial third party. Agricultural Bank of China focuses on strengthening building of capabilities and further enhancing brand reputation. In 2010, with the outstanding achievement in the first “Gold Financial Top 10 Awards” in 2010 and won the “Best Custodian Bank Award”. Agricultural Bank of China won “Awards for Best Asset Custodian” presented by The CFO magazine once again in 2010. In 2012, it won the title of “Best Asset Custodian Bank” of Tenth China’s Financial Annual Champion Awards; from 2013 to 2017, it was awarded the “Custodian Bank Excellence Award” by Shanghai Clearing House and the title of “Excellent Trustee Award” by Central Government Bond Registration and Settlement Co., Ltd.; in 2015 and 2016, it was awarded the title of “Best Pension Business Development Award” by China Banking Association; awarded the “Best Fund Custodian Bank” in 20-year Publicly-offered Fund by China Fund in 2018; awarded the “TianJi Award for Custodian Bank 2019” by Security Times in 2019.

The Securities Investment Fund Custody Department of Agricultural Bank of China was established in May 1998 after being approved by CSRC and People’s Bank of China. Within which, there are General Management Division, Business Management Division, Customer Service Division I, Customer Service Division II, Customer Service Division III, Customer Service Division IV, Risk Compliance Division, Product R&D and IT Division, Operation Division I, Operation Division II, Marketing Division, Internal Control Oversight Division and Account Management Division. It owns advanced safety precaution facilities and fund custody business system.

2. Information of Key Personnel

The Custody Business Department of Agricultural Bank of China currently employs nearly 310 employees, including 60 experts with senior professional titles. The service team members are with high professional level, good quality and high service ability. The senior management has more than 20 years of financial experience and senior technical titles, and is proficient in the operation of the securities market domestically and abroad.

3. Operations of Funds Custody Business

As of the end of September 30, 2020, there were a total of 550 closed-end securities investment funds and open-end securities investment funds under the custody of the Agricultural Bank of China.

(II) Description of Internal Risk Control System of Fund Custodian

1. Objectives of Internal Control

It strictly abides by the laws, regulations, industrial regulatory rules of the State and the relevant administrative provisions on custody business, carries out lawful operation in a standardised manner, and conducts strict supervision, so as to ensure the sound business operation, guarantee the safety and integrity of fund assets, assure the authenticity, accuracy, completeness and timeliness of relevant information, and protect the lawful rights and interests of Fund.

2. Organisational Structure of Internal Control

The Risk Management Committee is responsible for conducting the risk management and internal control of Agricultural Bank of China as a whole and providing supervision and evaluation on the risk management and internal control of custody business. The Custody Business Department has especially established the Risk Management Division, which is equipped with dedicated internal control personnel who undertake the internal control supervision work of custody business and possess the authority and capability of exercising supervision and auditing independently.

3. Mechanisms and Measures of Internal Control

It is equipped with systematic and perfect system control mechanism and has established the management system, control system, post duties and business operation process, which can ensure the standard operation and smooth implementation of custody business; the business and operation staff are qualified personnel; the review, examination and inspection system is applied in the business management in a strict manner; the centralised control is applied in the authorisation work; the business seals are maintained, kept and used according to relevant regulations; the materials in relation to account holders are maintained strictly and the restriction mechanism is rigid and effective; the business operation zone is exclusively set up and managed in a closed environment, with audio-visual monitoring being implemented; dedicated people are responsible for disclosing business information to prevent leaking of confidential information; the business is operated automatically to prevent the occurrence of incidents caused by human errors; and the technical system is complete and independent.

(III) Methods and Procedures for Supervising the Fund Manager's Operation of the Fund by the Fund Custodian

The Fund Custodian has inputted the prescribed investment ratio and prohibited investment categories through parameter settings under the *Funds Law*, *Measures on Operation*, Fund Contract and Custody Agreement into the monitoring system. It logs into the monitoring system every day to supervise the investment operation of the Fund Manager, and supervises other behaviors of the Fund Manager through the capital accounts of the Fund and Investment Instruction of the Fund Manager etc.

When there is any sign of abnormalities in the trading of the Fund, the Fund Custodian should take the following measures according to different situations:

1. Call to notify. Call the Fund Manager to notify the issues which are the focus of media and public attention;
2. Written warning. Notify the Fund Manager in written of issues including the investment ratio of the Fund nearly exceeding the limit and the fund position being insufficient etc.;
3. Written report. Remind relevant Fund Manager in written of issues such as investment ratio exceeding the limit, overdraft of settlement capital and other behaviours that are suspected of involving abusing trading practice, and report to CSRC.

V. RELEVANT SERVICE INSTITUTIONS

(I) Sales Institutions of Fund:

1. Direct sales institution: China International Fund Management Co., Ltd. (As above)
2. Sales Agencies of Class A Units:
 - (1) China Construction Bank Corporation
Domicile: No. 25 Finance Street, Xicheng District, Beijing
Office Address: Building 1, No. 1 Naoshikou Street, Xicheng District, Beijing
Legal Representative: Tian Guoli
Customer Service Telephone Number: 95533
Website: www.ccb.com
 - (2) Industrial and Commercial Bank of China Limited
Registered Address: No. 55 Fuxingmennei Street, Xicheng District, Beijing
Legal Representative: Chen Siqing
Unified Customer Service Inquiry Telephone Number: 95588
Website: www.icbc.com.cn
 - (3) Agricultural Bank of China Limited
Domicile: No. 69, Jianguomennei Avenue, Dongcheng District, Beijing
Office Address: No. 69, Jianguomennei Avenue, Dongcheng District, Beijing
Legal Representative: Zhou Mubing
Customer Service Telephone Number: 95599
Website: www.abchina.com
 - (4) Bank of China Limited
Registered Address: No. 1 Fuxingmennei Street, Xicheng District, Beijing
Office Address: No.1 Fuxingmennei Street, Xicheng District, Beijing
Legal Representative: Liu Liange
Customer Service Telephone Number: 95566
Website: www.boc.cn
 - (5) China Merchants Bank Co., Ltd.
Registered Address: No. 7088, Shennan Street, Futian District, Shenzhen, Guangdong Province
Office Address: No. 7088, Shennan Street, Futian District, Shenzhen, Guangdong Province
Legal Representative: Li Jianhong
Customer Service Center Telephone Number: 95555
Website: www.cmbchina.com

- (6) Bank of Communications Co., Ltd.
Registered Address: No. 188, Middle Yincheng Road, Pudong New District, Shanghai
Office Address: No. 188, Middle Yincheng Road, Pudong New District, Shanghai
Legal Representative: Ren Deqi
Telephone Number: 021-58781234
Fax: 021-58408483
Contact person: Gao Tian
Customer Service Hotline: 95559
Company website: www.bankcomm.com
- (7) Shanghai Pudong Development Bank Co., Ltd.
Registered Address: No. 500 South Pudong Road, Pudong New Area, Shanghai
Office Address: No. 12, Zhongshandongyi Road, Shanghai
Legal Representative: Zheng Yang
Contact Person: Gao Guofu
Customer Service Hotline: 95528
Website: www.spdb.com.cn
- (8) Industrial Bank Co., Ltd.
Registered Address: No. 154, Hudong Road, Fuzhou
Office Address: No. 167 Yincheng Road, Pudong New District, Shanghai
Legal Representative: Gao Jianping
Customer Service Telephone Number: 95561
Website: www.cib.com.cn
- (9) Bank of Shanghai Co., Ltd.
Registered Address: No. 168 Middle Yincheng Road, China Pilot Free Trade Zone (Shanghai)
Office Address: No. 168 Middle Yincheng Road, Pudong New Area, Shanghai
Legal Representative: Jin Yu
Customer Service Hotline: 95594
Website: www.bosc.cn
- (10) Bank of Jiangsu Co., Ltd.
Office Address: No. 26 Zhonghua Road, Nanjing
Legal Representative: Xia Ping
Telephone Number: 95319
Website: www.jsbchina.cn
- (11) China Everbright Bank Company Limited
Registered Address: Everbright Center, No. 6, Fuxingmenwai Street, Xicheng District, Beijing
Legal Representative: Li Xiaopeng
Customer Service Telephone Number: 95595
Website: www.cebbank.com

- (12) China CITIC Bank Co., Ltd.
Registered Address: No. 9 North Chaoyangmen Street, Dongcheng District, Beijing
Legal Representative: Li Qingping
24 Hour Customer Service Hotline: 95558
Website: www.citicbank.com
- (13) China Minsheng Banking Corp., Ltd
Registered Address: No.2 Fuxingmennei Street, Xicheng District, Beijing
Legal Representative: Hong Qi
24 Hour Customer Service Hotline: 95568
Website: www.cmbc.com.cn
- (14) Hua Xia Bank Co., Limited
Registered Address: No.22, Jianguomennei Street, Dongcheng District, Beijing
Office Address: No.22, Jianguomennei Street, Dongcheng District, Beijing
Legal Representative: Li Minji
Customer Inquiry Telephone Number: 95577
Website: www.hxb.com.cn
- (15) Bank of Beijing Co., Ltd.
Registered Address: 1/F, A17, Finance Street, Xicheng District, Beijing
Office Address: C17, Finance Street, Xicheng District, Beijing
Legal Representative: Zhang Dongning
Customer Service Telephone Number: 95526
Company Website: www.bankofbeijing.com.cn
- (16) Bank of Ningbo Co., Ltd.
Registered Address: No. 345 Ningdong Road, Yinzhou District, Ningbo
Legal Representative: Lu Huayu
Unified Customer Service Inquiry Telephone Number: 95574
Website: www.nbcb.com.cn
- (17) Ping An Bank Co., Ltd.
Registered Address: No. 5047 East Shennan Road, Luohu District, Shenzhen
Office Address: No. 5047 East Shennan Road, Luohu District, Shenzhen
Legal Representative: Xie Yonglin
Unified Customer Service Inquiry Telephone Number: 95511-3
Website: www.bank.pingan.com
- (18) Dongguan Rural Commercial Bank Co., Ltd.
Address: No. 2 East Hongfu Road, Dongcheng District, Dongguan, Guangdong
Legal Representative: Wang Yaoqiu
Customer Service Telephone Number: 961122
Website: www.drcbank.com

- (19) Shanghai Rural Commercial Bank Co., Ltd.
Address: Shanghai Rural Commercial Bank Tower, No. 70 Zhongshan East Second Road
Legal Representative: Ji Guangheng
Portal Website: www.srcb.com
Customer Service Telephone Number: 021-962999
- (20) Bank of Nanjing
Registered Address: No. 288 Zhongshan Road, Xuanwu District, Nanjing
Legal Representative: Hu Shengrong
Customer Service Telephone Number: 95302
Website: www.njcb.com.cn
- (21) Shenwan Hongyuan Securities
Registered Address: 45/F, No. 989 Changle Road, Xuhui, Shanghai
Office Address: 45/F, No. 989 Changle Road, Xuhui, Shanghai (postal code: 200031)
Legal Representative: Yang Yucheng
Customer Service Telephone Number: 95523
Website: www.swhysc.com
- (22) Shanghai Securities Co., Ltd.
Registered Address: 7/F, Jiushi Business Building, No. 213 Middle Sichuan Road, Huangpu District, Shanghai
Business Address: 7/F, Jiushi Business Building, No. 213 Middle Sichuan Road, Huangpu District, Shanghai
Legal Representative: Li Junjie
Customer Service Telephone Number: 021-962518
Website: www.shzq.com
- (23) Guotai Junan Securities Co., Ltd.
Registered Address: No. 618 Shangcheng Road, China (Shanghai) Pilot Free Trade Zone
Office Address: 21/F, Bohua Building, No. 669 Xinzha Road, Jing'an District, Shanghai
Legal Representative: He Qing
Customer Service Inquiry Telephone Number: 95521
Website: www.gtja.com
- (24) Guangfa Securities Co., Ltd.
Registered Address: Room 618, No. 2 Tengfei First Street, Sino-Singapore Guangzhou Knowledge City, Huangpu District, Guangzhou, Guangdong
Office Address: GF Securities Tower, No. 26 Machang Road, Tianhe District, Guangzhou
Legal Representative: Sun Shuming
Unified Customer Service Hotline: 95575
Company Website: www.gf.com.cn

- (25) China Merchants Securities Co., Ltd.
Registered Address: No. 111, Fuhua First Road, Futian Neighbourhood, Futian District, Shenzhen
Legal Representative: Huo Da
Customer Service Telephone Number: 95565
Website: www.newone.com.cn
- (26) Everbright Securities Co., Ltd.
Registered Address: No. 1508 Xinzha Road, Jing'an District, Shanghai
Office Address: No. 1508 Xinzha Road, Jing'an District, Shanghai
Legal Representative: Yan Jun (Acting)
Customer Service Hotline: 95525
Website: www.ebscn.com
- (27) China Galaxy Securities Co., Ltd.
Registered Address: 2/F-6/F, No. 35 Finance Street, Xicheng District, Beijing
Office Address: Block C, International Business Building, No. 35 Finance Street, Xicheng District, Beijing
Legal Representative: Chen Gongyan
Customer Service Telephone Number: 4008888888
Website: www.chinastock.com.cn
- (28) China Securities Co., Ltd.
Registered Address: Building 4, No. 66 Anli Road, Chaoyang District, Beijing
Office Address: No.188, Chaonei Street, Dongcheng District, Beijing
Legal Representative: Wang Changqing
Customer Service Inquiry Telephone Number: 400-8888-108
Website: www.csc108.com
- (29) Industrial Securities Co., Ltd.
Registered Address: No. 268 Hudong Road, Fuzhou
Legal Representative: Yang Huahui
Customer Service Telephone Number: 95562
Website: www.xyzq.com.cn
- (30) Haitong Securities Co., Ltd.
Registered Address: No. 689 Guangdong Road, Shanghai
Legal Representative: Zhou Jie
Customer Service Phone Number: 95553
Company Website: www.htsec.com
- (31) Guodu Securities Co., Ltd.
Registered Address: 9-10/F, Guohua Investment Plaza, No. 3 South Dongzhimen Street, Dongcheng District, Beijing
Office Address: 9-10/F, Guohua Investment Plaza, No. 3 South Dongzhimen Street, Dongcheng District, Beijing
Legal Representative: Weng Zhenjie
Customer Service Telephone Number: 4008188118
Website: www.guodu.com

- (32) Guosen Securities Co., Ltd.
Registered Address: 16-26/F, Guosen Securities Tower, No. 1012, Middle Hongling Road, Shenzhen
Legal Representative: He Ru
Customer Service Telephone Number: 95536
Company Website: www.guosen.com.cn
- (33) Huatai Securities Co., Ltd.
Registered Address: Huatai Securities Plaza, No. 228 Jiangdong Middle Road, Jianye District, Nanjing, Jiangsu Province
Legal Representative: Zhang Wei
Customer Inquiry Telephone Number: 95597
Website: www.htsc.com.cn
- (34) CITIC Securities Co., Ltd.
Registered Address: North Tower, Times Square Excellence Phase II, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province
Office Address: CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing
Legal Representative: Zhang Youjun
Customer Service Hotline: 95548
Website: www.cs.ecitic.com
- (35) Orient Securities Co., Ltd.
Registered Address: 22-29/F, Building 2, No. 318 South Zhongshan Road, Shanghai
Legal Representative: Pan Xinjun
Customer Service Hotline: 95503
Website of Orient Securities: www.dfzq.com.cn
- (36) CITIC Securities (Shandong) Co., Ltd.
Registered Address: Room 2001, Building 1, No. 222 Shenzhen Road, Laoshan District, Qingdao, Shandong
Office Address: 5/F, East Block, Longxiang Plaza, No. 28 Donghai West Road, Shinan District, Qingdao
Legal Representative: Jiang Xiaolin
Customer Service Telephone Number: 95548
Company Website: www.sd.citics.com
- (37) Huafu Securities Co., Ltd.
Registered Address: 7-8/F, Xintiandi Plaza, No. 157 Wusi Road, Fuzhou
Office Address: 7-10/F, Xintiandi Plaza, No. 157 Wusi Road, Fuzhou
Legal Representative: Huang Jinlin
Customer Service Hotline: 0591-96326
Company Website: www.hfzq.com.cn

- (38) China International Capital Corporation Limited
Registered Address: 27-28/F, Block 2, China World Trade Center, No. 1 Jianguomenwai Street, Beijing
Office Address: 38/F, SK Tower, No. 6 Jianguomen Outer Street, Chaoyang District, Beijing
Legal Representative: Ding Xuedong
Telephone Number: 400-910-1166
Company Website: www.cicc.com.cn
- (39) Essence Securities Co., Ltd.
Registered Address: Unit A02, 28/F & 35/F, Anlian Mansion, No. 4018 Jintian Road, Futian District, Shenzhen
Office Address: Unit A02, 28/F & 35/F, Anlian Mansion, No. 4018 Jintian Road, Futian District, Shenzhen
Legal Representative: Huang Yanxun
Customer Service Telephone Number: 95517
Company Website: www.essence.com.cn
- (40) CEFC Shanghai Securities Limited
Registered Address: 9/F, Shanghai World Financial Center, No. 100 Century Avenue, Pudong New District, Shanghai
Legal Representative: Chen Canhui
Customer Service Telephone Number: 400-820-5999
Company Website: www.shhxzq.com
- (41) Changjiang Securities Co., Ltd.
Registered Address: Changjiang Security Building, No. T8 Xinhua Road, Wuhan
Legal Representative: Li Xinhua
Customer Service Telephone Number: 95579 or 4008-888-999
Customer Service Website of Changjiang Securities: www.95579.com
- (42) Ping An Securities Co, Ltd.
Registered Address: 22/F-25/F, Block B, Ping An Financial Centre, No. 5023 Yitian Road, Futian Residential District, Futian District, Shenzhen
Office Address: 22/F-25/F, Block B, Ping An Financial Centre, No. 5023 Yitian Road, Futian Residential District, Futian District, Shenzhen
Legal Representative: He Zhijiang
Customer Service Telephone Number: 95511-8
Website: www.stock.pingan.com
- (43) Donghai Securities Co., Ltd.
Registered Address: 18/F Investment Plaza, No. 23 Yanling Road West, Changzhou, Jiangsu
Office Address: Donghai Securities Mansion, No. 1928 Dongfang Road, Pudong New District, Shanghai
Legal Representative: Qian Junwen
Telephone Number: 021-20333333
Fax: 021-50498825
Contact Person: Wang Yiyan
Customer Service Line: 95531; 400-8888-588
Website: www.longone.com.cn

- (44) NOAHUPRIGHT Fund Sales Co., Ltd.
Registered Address: Room 3724, No.9, Lane 360 Feihong Road, Hongkou District, Shanghai
Office Address: Building #2, No. 1687 Changyang Road, Yangpu District, Shanghai
Legal Representative: Wang Jingbo
Customer Service Telephone Number: 400-821-5399
Company Website: www.noah-fund.com
- (45) Shanghai Changliang Fund Sales Co., Ltd.
Registered Address: Room 220, Block 2, No. 526 Gaoxiang Road, Pudong New Area, Shanghai
Office Address: 11/F, Lujiazui Financial Service Square Phase II, No. 1267 Dongfang Road, Pudong New District, Shanghai
Legal Representative: Zhang Yuewei
Customer Service Telephone Number: 400-820-2899
Company Website: www.erichfund.com
- (46) Beijing Myfund Sales Co., Ltd.
Registered Address: Room 604 and Room 607, 6/F, West Building, No. 11 Anyuan Road, Chaoyang District, Beijing
Office Address: No. 3205 Pangu Plaza, No. 27, Middle N. 4th Ring Road, Chaoyang District, Beijing
Legal Representative: Yan Zhenjie
Customer Service Telephone Number: 400-818-8000
Company Website: www.myfund.com
- (47) Shanghai Huaxia Wealth Investment Management Co., Ltd.
Domicile: Room 268, 2/F, Building 1, No. 687 East Daming Road, Hongkou District, Shanghai
Office Address: 8/F, Block B, Tongtai Building, No. 33 Financial Street, Xicheng District, Beijing
Legal Representative: Mao Huaiping
Customer Service Telephone Number: 400-817-5666
- (48) Shanghai Wind Fund Sales Co., Ltd.
Domicile: Block B, 11/F, No. 33 Fushan Road, China (Shanghai) Pilot Free Trade Zone
Office Address: 11/F, Wande Building, 1500 Puming Road, Pudong New Area, Shanghai
Legal Representative: Wang Tingfu
Customer Service Telephone Number: 400-799-1888
Website: www.520fund.com.cn
- (49) Shanghai Jiyu Fund Sales Co., Ltd.
Office Address: Room 1503, Taiping Finance Tower, No. 488 Middle Yincheng Road, Pudong New Area, Shanghai
Legal Representative: Wang Xiang
Inquiry Telephone Number: 400-820-5369
Website: www.jiyufund.com.cn

- (50) Harvest Wealth Management Co., Ltd.
Registered Address: Unit 2716, 27/F, Phase 2, Shanghai International Financial Center, No. 8 Century Avenue, China Pilot Free Trade Zone (Shanghai)
Office Address: 11/F, Block C, Beijing International Club, No.21 Jianguomen Outer Street, Chaoyang District, Beijing
Legal Representative: Zhang Feng
Telephone Number: 010-65215588
Fax: 010-85097308
Contact Person: Li Wen
Customer Service Telephone Number: 400-021-8850
Website: www.harvestwm.cn
- (51) DBS Bank (China) Limited
Domicile: Units 1301, 1701, 1801, No.1318 Lujiazui Ring Road, China Pilot Free Trade Zone (Shanghai)
Company address: Units 1301, 1701 and 1801, No.1318 Lujiazui Ring Road, China Pilot Free Trade Zone (Shanghai)
Legal Representative: Ge Ganniu
Customer Service Telephone Number: 400-820-8988
Company website: www.dbs.com.cn
- (52) Citibank (China) Co., Ltd.
Registered Address: Unit 01A, Unit 02A and Unit 04 on Level 28, Unit 02 on Level 29, Unit 01 on Level 30, Unit 01 and Unit 01B on Level 32, Unit 01 and Unit 03 on Level 33, Unit 01 on Level 34, and Level 35, Main Building of Citigroup Tower, No. 33 Huayuanshiqiao Road, Pudong New Area, Shanghai
Office Address: Unit 01A, Unit 02A and Unit 04 on Level 28, Unit 02 on Level 29, Unit 01 on Level 30, Unit 01 and Unit 01B on Level 32, Unit 01 and Unit 03 on Level 33, Unit 01 on Level 34, and Level 35, Main Building of Citigroup Tower, No. 33 Huayuanshiqiao Road, Pudong New Area, Shanghai
Legal Representative: AU SIU LUEN
Customer Service Hotline: Individual Customer Service Center Telephone Number: 800 8301 880
Company Website: www.citibank.com.cn
- (53) The Bank of East Asia (China) Limited
Office Address: 29/F, Bank of East Asia Financial Building, No. 66 Huayuanshiqiao Road, Pudong New Area, Shanghai
Legal Representative: Li Guobao
Customer Service Telephone Number: 95382
Website: www.hkbea.com.cn
- (54) Standard Chartered Bank (China) Limited
Registered Address: Standard Chartered Bank Building, No. 201 Century Avenue, Pudong New District, Shanghai
Office Address: 23/F, UC Tower, No. 500 Fushan Road, Pudong New District, Shanghai
Legal Representative: Zhang Xiaolei
Customer Service Telephone Number: 800-820-8088
Website: <https://www.sc.com/cn/>

- (55) HSBC Bank (China) Co., Ltd.
Registered Address: 22/F, HSBC Building, Shanghai IFC, No. 8 Century Avenue, China Pilot Free Trade Zone (Shanghai)
Office Address: 22/F, HSBC Building, Shanghai IFC, No. 8 Century Avenue
Legal Representative: Liao Yijian
Customer Service Telephone Number: 95366
Website: www.hsbc.com.cn
- (56) Hang Seng Bank (China) Co., Ltd.
Office Address: 34/F and 36/F Hang Seng Bank Tower, No. 1000 Lujiazui Ring Road, China Pilot Free Trade Zone (Shanghai)
Office Address: 34/F and 36/F Hang Seng Bank Tower, No. 1000 Lujiazui Ring Road, China Pilot Free Trade Zone (Shanghai)
Legal Representative: Zheng Huimin
Customer Service Telephone Number: 800-830-4888
Website: <https://www.hangseng.com>
- (57) Sinolink Securities Co., Ltd
Address: No. 95 Dongchenggen Upper Street, Qingyang District, Chengdu
Legal Representative: Ran Yun
Telephone Number: 95310
Website: www.gjzq.com.cn
- (58) CITIC Futures Co., Ltd.
Office Address: Room 1301-1305 13/F & 14/F, Times Square Excellence (Phase II) North Tower, No. 8 Zhongxin Three Road, Futian District, Shenzhen
Legal Representative: Zhang Hao
Telephone: 400-990-8826
Website: www.citicsf.com
- (59) China Life Insurance Co., Ltd.
Office Address: No. 16 Financial Street, Xicheng District, Beijing
Legal Representative: Wang Bin
Customer service hotline: 95519
Website: www.e-chinalife.com
- (60) CITIC Securities South China Co., Ltd.
Registered address: Room 501, No. 5 Zhujiang West Road, Tianhe District, Guangzhou
Office Address: Room 501, No. 5 Zhujiang West Road, Tianhe District, Guangzhou
Legal Representative: Hu Fuyun
Customer service hotline: 95396
Website: www.gzs.com.cn
- (61) Postal Savings Bank of China Co., Ltd.
Registered Address: No. 3, Finance Street, Xicheng District, Beijing
Legal Representative: Zhang Jinliang
Customer service hotline: 95580
Website: www.psbc.com

- (62) Soochow Securities Co., Ltd.
Address: No. 5 Xingyang Street, Suzhou Industrial Park
Legal Representative: Fan Li
Customer service hotline: 95330
Website: www.dwjq.com.cn
- (63) Shanghai Howbuy Fund Investment Services Co., Ltd.
Registered Address: Room 449, Building No. 4, No. 37, Lane 685, Changzhong Road, Hongkou District, Shanghai
Office Address: Rooms 903-906, Erdos International Building, No. 1118 South Pudong Road, Shanghai
Legal Representative: Yang Wenbin
Customer Service Telephone Number: 400-700-9665
Company Website: www.ehowbuy.com
- (64) Shenzhen Zhonglu Fund Sales Co., Ltd.
Registered Address: Units I & J, 25/F, Shenzhen Development Bank Building, No. 5047 Shennan East Road, Luohu District, Shenzhen
Office Address: Units I & J, 25/F, Shenzhen Development Bank Building, No. 5047 Shennan East Road, Luohu District, Shenzhen
Legal Representative: Xue Feng
Customer Service Telephone Number: 4006-788-887
Company Website: www.zlfund.cn www.jjmmw.com
- (65) Ant (Hangzhou) Fund Sales Co., Ltd.
Registered Address: Room 599 5/F Building 3, No. 969 Wenyi Road West, Wuchang Street, Yuhang District, Hangzhou, Zhejiang Province
Office Address: 6/F, Tower B, Huanglong Times Square, No. 18 Wantang Road, Xihu District, Hangzhou
Legal Representative: Zu Guoming
Customer Service Telephone Number: 400-0766-123
Company Website: www.fund123.cn
- (66) Shanghai Tiantian Fund Sales Co., Ltd.
Registered Address: 2/F, Building No. 2, No. 190 Longtian Road, Xuhui District, Shanghai
Office Address: Oriental Fortune Tower No. 88 South Wanping Road, Xuhui District, Shanghai
Legal Representative: Qi Shi
Customer Service Telephone Number: 400-1818-188
Website: www.1234567.com.cn
- (67) Zhejiang Tonghuashun Fund Sales Co., Ltd.
Registered Address: Room 903, Yuanmao Building, No. 1 Wener West Road, Hangzhou, Zhejiang Province
Office Address: 2/F, Hangzhou E-commerce Industrial Park, No. 7 Cuibai Road, Hangzhou, Zhejiang Province
Legal Representative: Wu Qiang
Customer Service Telephone Number: 4008-773-772
Company Website: www.5ifund.com

- (68) Shanghai Lufunds Co., Ltd.
Registered Address: Unit 09, 14/F, No. 1333 Lujiazui Ring Road, Pudong New Area, Shanghai
Office Address: 14/F, No. 1333 Lujiazui Ring Road, Pudong New Area, Shanghai
Legal Representative: Hu Xueqin
Customer Service Telephone Number: 400-821-9031
Website: www.lufunds.com
- (69) Beijing Hongdian Fund Sales Co., Ltd.
Registered Address: Room 1015, 10/F, No. 17 North 3rd Ring Road East, Chaoyang District, Beijing
Office Address: Room 1015, 10/F, No. 17 North 3rd Ring Road East, Chaoyang District, Beijing
Legal Representative: He Jing
Customer Service Telephone Number: 400-618-0707
Website: www.hongdianfund.com
- (70) Zhuhai Yingmi Wealth Management Limited
Registered Address: Room 105-3491, No. 6 Baohua Road, Hengqin New Area, Zhuhai
Office Address: 12/F, South Tower, Poly International Plaza, No. 1 Pazhou Road East, Haizhu District, Guangzhou
Legal Representative: Xiao Wen
Customer Service Telephone Number: 020-89629066
Website: www.yingmi.cn
- (71) Beijing Sina Cangshi Fund Sales Co., Ltd.
Registered Address: Room 518, 5/F, Research Building, Sina Headquarters, Plot N-1 and N-2, Zhongguancun Software Park Phase II (Westward Expansion), Dongbeiwang West Road, Haidian District, Beijing
Office Address: Room 518, 5/F, Research Building, Sina Headquarters, Plot N-1 and N-2, Zhongguancun Software Park Phase II (Westward Expansion), Dongbeiwang West Road, Haidian District, Beijing
Legal Representative: Zhao Xinrui
Customer Service Telephone Number: 010-62675369
Website: www.xincai.com
- (72) Beijing Kenterui Fund Sales Co., Ltd.
Registered Address: Building 157, No. 12-No. 17 Jiancaicheng Middle Road, Xisanqi Residential District, Haidian District, Beijing
Office Address: 15/F, Block A, Jingdong Group Headquarters, No. 18 Kechuangshiyi Street, Yizhuang Economic Development Zone, Tongzhou District, Beijing
Legal Representative: Wang Suning
Customer Service Telephone Number: 95118
Website: <http://kenterui.jd.com>

- (73) CSJ Golden Bull (Beijing) Investment Consulting Co., Ltd.
Registered Address: Room 2-45, Building 2, No. 1 Dongguantou, Fengtai District, Beijing
Office Address: 5th Floor, Tower A, Global Finance Centre, No. 1, Xuanwumenwai Street, Xicheng District, Beijing
Legal Representative: Qian Haomin
Customer Service Telephone Number: 4008-909-998
Website: www.jnlc.com
- (74) iFast Financial China Ltd.
Registered Address: Room 201, Block A, No. 1 Qianwan Road, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen (A tenant at Shenzhen Qianhai Business Secretary Co., Ltd.)
Business Address: Room 1704, 17/F, Block A, Aerospace Science and Technology Plaza, Haide No. 3 Avenue, Nanshan District, Shenzhen
Legal Representative: Teo Wee Howe
Customer Service Telephone Number: 400-684-0500
Website: www.ifastps.com.cn
- (75) Beijing Danjuan Fund Sales Co., Ltd.
Registered Address: Room 1501, 15/F, Building 6, No. 34 Chuangyuan Road, Chaoyang District, Beijing
Office Address: 17/F (elevator), Building 6, No. 34 Chuangyuan Road, Chaoyang District, Beijing
Legal Representative: Zhong Feifei
Customer service hotline: 400-1599-288
Website: danjuanapp.com
- (76) Beijing Du Xiaoman Fund Sales Co., Ltd.
Registered Address: Room 103, 1/F, Building 4, West Zone, No. 10 East Xibeiwang Road, Haidian District, Beijing
Office Address: Building 4, West Zone, No. 10 East Xibeiwang Road, Haidian District, Beijing
Legal Representative: Ge Xin
Customer service hotline: 95055-4
Website: www.baiyingfund.com
- (77) Beijing Huicheng Fund Sales Co., Ltd.
Registered Address: 19C13, 17/F, Building 2, No. 1 Xizhimen Outer Street, Xicheng District, Beijing
Office Address: No. 1108, 11/F, No.11 Zhongguancun Avenue, Haidian District, Beijing
Legal Representative: Wang Weigang
Customer service hotline: 400-619-9059
Website: www.hcjijin.com

The Fund Manager may choose other qualified institutions to sell the Fund as an agent in accordance with the requirements of applicable laws and regulations, and make public on its website.

3. Hong Kong Representative of Class H Units

Name: JPMorgan Funds (Asia) Limited

Registered Address: 21/F Chater House, 8 Connaught Road Central, Hong Kong

Office Address: 21/F Chater House, 8 Connaught Road Central, Hong Kong

Telephone Number: (852) 2978 7788

Website: www.jpmorgan.com/hk/am/

4. Sales agencies of Class H Units

As of October 31, 2020, JPMorgan Funds (Asia) Limited, Bank of China (Hong Kong) Limited, Bank of Communications (Hong Kong) Limited, China Construction Bank (Asia) Corp. Ltd., Hang Seng Bank Limited, CMB Wing Lung Bank Limited, China CITIC Bank International Limited, Industrial and Commercial Bank of China (Asia) Limited, Sun Hung Kai Investment Services Limited, Shanghai Commercial Bank LTD., The Bank of East Asia, Limited, DBS Bank (Hong Kong) Limited, Lion Global Financial Limited, Convoy Asset Management Limited, Dah Sing Bank Limited, OCBC Wing Hang Bank Limited and iFast Financial (HK) Ltd., Standard Chartered BK (HK) are the sales agencies to market Class H Units of CIFM China Emerging Power Fund in Hong Kong.

(II) Fund Registrar:

China International Fund Management Co., Ltd. (As above)

(III) Law Firm and Handling Lawyer:

Name: Grandall Legal Group (Shanghai) Law Firm

Registered Address: 31/F, Nanzheng Building, No. 580, Nanjingxi Road, Shanghai

Person in Charge: Guan Jianjun

Contact Telephone: Number: 021-5234 1668

Fax Number: 021-5234 1670

Handling Lawyer: Xuan Weihua

(IV) Accounting Firm That Audits the Assets of the Fund

Name: Pricewaterhouse Coopers Zhong Tian LLP (Special General Partnership)

Registered Address: 6/F, DBS Bank Tower, No. 1318 Lujiazui Ring Road, Pudong New Area, Shanghai, China

Office Address: 11/F, Pricewaterhouse Coopers Center, 2 Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai, China

Managing Partner: Li Dan

Telephone Number: (021) 23238888

Fax: (021) 23238800

Contact Person: Zhou Yi

Handling CPA: Xue Jing, Zhou Yi

VI. OFFERING OF THE FUND AND THE FUND CONTRACT TAKES EFFECT

The Fund has been approved by CSRC Zheng Jian Xu Ke [2011] No. 604, and the Initial Offer Period of the Fund was from June 15, 2011 to July 8, 2011. The net sales amount in the fund-raising is RMB 459,128,666.54. The bank interest generated from the application proceeds prior to day of fund verification and confirmation is RMB 45,632.38 in total.

There are a total of 9,922 valid applications in the fund-raising. If each fund unit is calculated as RMB 1.00, 459,128,666.54 valid fund units have been raised during the offering period and 45,632.38 fund units have been converted from interest carried forward, thereby there is an aggregate of 459,174,298.92 fund units. All of the fund units have been credited to Investors' Fund accounts and owned by the Investors.

Upon obtaining the approval from the China Securities Regulatory Commission, the Fund Contract of the Fund came into effect on July 13, 2011. The Fund is a contractual type open-end equity fund with an indefinite duration.

According to the *Administrative Measures on the Operation of Publicly Offered Securities Investment Funds*, from July 21, 2015, the fund type in the name of the Fund was changed to mixed securities investment fund.

VII. SUBSCRIPTION, REDEMPTION AND SWITCHING OF FUND UNITS

(I) Places for Subscription and Redemption

The Subscription and Redemption of the Fund will be conducted in the Direct Sales Center of the Fund Manager and the sales outlets of the Sales Agencies. The specific sales outlets will be listed in the Prospectus or other notices by the Fund Manager. The Fund Manager may change, add or reduce the number of Sales Agencies under different circumstances, and shall make relevant information public on its website. The investors may process the Subscription and Redemption at the place of business of which the Sales Institution deals with the sales of the Fund or according to other methods provided by the Sales Institutions.

(II) Dealing Day and Time for Subscription and Redemption

1. Dealing Day and Business Hours

Fund Investors may apply for processing the Subscription and Redemption of fund units on a Dealing Day. The particular processing time is the trading hours on a normal trading day of Shanghai Stock Exchange and Shenzhen Stock Exchange, unless the Fund Manager has announced the suspension of Subscription and Redemption in accordance with the Laws and Regulations or the requirement from the CSRC or as the provisions in the Fund Contract.

After the Fund Contract has taken effect, if there are new securities trading markets or any changes in the Trading Hours of securities exchanges or other extraordinary situations, the Fund Manager shall adjust the aforesaid Dealing Day and Business Hours according to the situations, but it shall make an announcement on the Designated Media according to the relevant provisions of *Measures on Information Disclosure* prior to the date of implementation.

2. Commencement Day and Business Hours of Subscription and Redemption

The Fund Manager shall commence to deal with Subscription within 3 months from the Effective Date of Fund Contract. The specific business hours shall be stated in the announcement on the commencement of Subscription.

The Fund Manager shall commence to deal with Redemption within 3 months from the Effective Date of Fund Contract. The specific business hours shall be stated in the announcement on the commencement of Redemption.

After the commencement time for Subscription and the commencement time for Redemption have been determined, the Fund Manager shall make an announcement on at least one Designated Media and the website of the Fund Manager according to the relevant provisions of *Measures on Information Disclosure* prior to the Commencement Day.

The Fund Manager shall not process the Subscription, Redemption or switching of the fund units on the date or at the time other than that stipulated in the Fund Contract. When Fund Investors apply for Subscription, Redemption or switching on the date and or at the time other than that agreed in the Fund Contract, the prices for Subscription and Redemption of the fund units are those prices on the Dealing Day of which the next subscription and redemption of the fund units are processed.

(III) Procedure of Subscription and Redemption

1. Application of Subscription and Redemption

The Fund Investors shall, according to the procedure specified by the Sales Institutions, apply for Subscription or Redemption during the specific business hours of the Dealing Day.

The Fund Investors shall have sufficient funds for Subscription according to the method specified by the Sales Institutions when they submit the application of Subscription. The Fund Investors shall hold sufficient balance of the fund units when they submit the application of Redemption. Otherwise, the applications for Subscription and Redemption submitted will be invalid and shall not be processed.

2. Confirmation of Application for Subscription and Redemption

For the applications accepted during the time specified on T Day, under normal circumstances, the Registrars shall confirm the validity of the transaction of the Investor within T+1 Day (inclusive). The Fund Investors may, after T+2 Day (inclusive), enquire about the status of confirmation of the application at the counters of Sales Outlets or through other methods specified by the Sales Institutions.

The Sales Institutions' acceptance of the Subscription application does not indicate the application must be successful. Instead, it only indicates that the Subscription application is received by the Sales Institutions. The confirmation of the application shall be subject to the result of confirmation from the Registrars.

3. Payment for Subscription and Redemption

The payment for Subscription monies shall be made in full. If the Subscription monies are not paid in full within the specified time, the Subscription is deemed to be unsuccessful. If the Subscription is unsuccessful or invalid, the principal amount paid for the Subscription by a Fund Investor shall be refunded by the Fund Manager or the Sales Agency designated by the Fund Manager to the Investor.

When the Fund Investor's application for Redemption is successful, the Fund Manager will pay the amount for Redemption by the Registrars and their relevant Sales Institutions within T+7 Day (inclusive). In case of Substantial Redemption, the payment shall be made according to the relevant provisions of the Fund Contract.

(IV) Amount of Subscription and Redemption

1. The minimum Subscription amount for a single transaction is RMB 1 (including the Subscription fee) for Class A Units, and RMB 100 (including the Subscription fee) for Class H Units of the Fund. The Fund Investors shall not be subject to the minimum Subscription amount when purchasing fund units by using the fund income currently distributed.

The Fund Investors may apply for multiple Subscriptions, unless otherwise provided by Laws and Regulations or the CSRC.

2. Fund investors may redeem their fund units in whole or in part. The Fund shall be redeemed in denomination of units, and the application of Redemption of redeemed units is calculated with an accuracy of two decimal places. The number of units for each Redemption shall be no less than 10 units for Class A Units, and no less than 100 units for Class H Units and the balance of the Fund Account shall be no less than 100 units. If the balance of fund units in the Fund Account will be lower than the minimum number of units after a Redemption, the Redemption shall be made in one time. If the balance of fund units in the account is lower than minimum number of units due to dividend reinvestment, non-trading transfer, agency transfer, Substantial Redemption, Fund Switching etc., the above provision is not applicable. However, the Redemption of all units shall be made in one time in the next Redemption.
3. The Fund Manager may determine the maximum number of fund units accumulated and held by an individual investor. For specific provisions, please refer to the updated Prospectus.
4. If accepting subscription applications may potentially lead to a materially adverse effect on the interests of existing Unitholders, the Fund Manager shall take effective measures to protect existing Unitholders' legitimate rights and interests by setting an upper limit on the value of a single investor's subscription or single-day net subscription, rejecting large-sum subscriptions or suspending subscription transactions. Please refer to relevant announcements for further details
5. The Fund Manager may, according to the market situation and to the extent permitted by Laws and Regulations, adjust the limit on Subscription amount and the limit on the number of units for Redemption as stated above. The Fund Manager must, prior to the adjustment, make an announcement on the Designated Media of CSRC according to the relevant provisions of *Measures on Information Disclosure*.

(V) Subscription and Redemption Prices, Fees and their Purposes

1. Classes of Fund Units

The fund units are classified into different classes based on the sales location of the Fund and the fee rates of Subscription and Redemption.

The fund units for which sales are made only in Mainland China and Subscription fee and Redemption fee shall be charged are referred to as Class A Units. The fund units for which sales are made only in Hong Kong, China and Subscription fee and Redemption fee shall be charged are referred to as Class H Units. Different fund codes are assigned to Class A and Class H Units of the Fund, and their NAV per Fund Unit shall be announced separately.

Under the circumstances that there is no violation on the Laws and Regulations and provisions in the Fund Contract and no substantial and adverse impact on the interests of Unitholders, the Fund Manager may, based on actual operation of the Fund and after the appropriate procedures are carried out, suspend sales of a certain class of fund unit, or adjust the fee rate of a certain class of fund unit, or add a new class of fund unit. The Fund Manager shall make a public announcement in a timely manner prior to such adjustment, without the requirement of convening a Unitholders' meeting.

2. Calculation of Fund Subscription Units

$$\text{Subscription Fee} = (\text{Subscription Amount} \times \text{Subscription Fee Rate}) / (1 + \text{Subscription Fee Rate})$$

$$\text{Net Subscription Amount} = \text{Subscription Amount} - \text{Subscription Fee}$$

$$\text{Subscription Units} = \text{Net Subscription Amount} / \text{NAV per Fund Unit on T Day}$$

The Subscription Fee rates of all classes of fund units are shown as follows:

The Subscription Fee rates of Class A Units are shown as follows:

Range of Subscription Amount	Rate
Less than RMB 1 million	1.5%
Above RMB 1 million (inclusive), less than RMB 5 million	1.0%
Above RMB 5 million (inclusive)	RMB 1,000 per transaction

The Subscription Fee Rate of Class H Units shall not exceed 5% of the Subscription Amount of fund units.

3. Calculation of Fund Redemption Amount

The Redemption amount of the Fund is the amount resulting from deducting the Redemption fee from the Total Redemption Amount. Where:

Total Redemption Amount = Redeemed Units × NAV per Fund Unit on T Day

Redemption Fee = Total Redemption Amount × Redemption Fee Rate

Redemption Amount = Total Redemption Amount – Redemption Fee

The Redemption Fee Rates of Class A Units are shown as follows:

Duration of Holding Fund Units	Rate
< 7 days	1.5%
≥7 days, < 1 year	0.5%
≥ 1 year, < 2 years	0.35%
≥ 2 years, < 3 years	0.2%
≥ 3 years	0%

The Redemption Fee Rate of Class H Units shall not exceed 0.5% of the Redemption Amount of fund units.

4. Fund codes are assigned to Class A Units and Class H Units of the Fund respectively, and their NAV per Fund Unit shall be calculated separately. The NAV per Fund Unit on T Day shall be calculated after the closing of business hours on that day, and published in accordance with relevant provisions of the Fund Contract. Under special circumstances, the calculation or announcement may be postponed as appropriate upon the consent of the CSRC.
5. Method of handling the balance of Subscription units: The number of valid Subscription units is resulted from dividing the net Subscription amount by the NAV per Fund Unit on the same day and the valid units are expressed in unit. The above calculation result shall be rounded to the second decimal place. Any income or loss arising from such rounding shall be borne by the assets of the Fund.
6. Method of handling the Redemption amount: The Redemption amount is calculated by multiplying the number of valid units redeemed which are actually confirmed, with the NAV per Fund Unit on the same day and deducting corresponding fees. The Redemption amount is denominated in Yuan. The above calculation result shall be rounded to the second decimal place. Any income or loss arising from such rounding shall be charged to the assets of the Fund.
7. When calculating the NAV of the two classes of fund units of the Fund, the result shall be rounded from the fourth decimal place to the third decimal place. Any errors arising there from shall be charged to the assets of the Fund.

8. The Subscription fees of the Fund shall be borne by Investors and shall be charged when the Subscriptions of fund units are made by the Investors. Such Subscription fees shall not be credited to the assets of the Fund, and are primarily used to cover various fees incurred by the marketing, sales, registration, etc. of the Fund.
9. The Redemption fees shall be borne by the Unitholders who redeem the fund units and shall be charged when the Redemption of fund units is made by the Unitholder. The Fund will charge a redemption fee of no less than 1.5% on class-A investors who hold fund units for less than seven consecutive days. The full amount charged should be credited to assets under management. Moreover, at least 25% of the total redemption fees paid by class-A investors who hold fund units for seven consecutive days or more shall be credited to the assets of the Fund, and the remaining amount shall be used to pay the registration fee and other necessary handling fees. All redemption fees paid by class-H investors shall be credited to the assets of the Fund.
10. The Subscription fee rate of the Fund shall not be more than 5% of the Subscription amount, and the Redemption fee rate shall not be more than 5% of the Redemption amount. The Fund Manager may adjust the rate or method of fee charging within the scope specified in the Fund Contract, and shall make an announcement on the Designated Media of CSRC according to the relevant provisions of *Measures on Information Disclosure* at the latest 3 Business Days before the implementation date of new rate or method of fee charging.
11. The Fund Manager may establish fund promotion plan according to market condition without violation of the provisions of Laws and Regulations as well as the agreements in the Fund Contract, and conduct fund promotion activities which target to the Investors who make fund transactions through specific transaction channels (such as online transactions, telephone transactions, etc.) on a regular or irregular basis. During the period of fund promotion activities, the Fund Manager may, after performing the necessary formalities in accordance with the requirements of relevant regulatory authorities, reduce the Subscription fee rate of the Fund and the Redemption fee rate of the Fund appropriately.
12. In order to promote the alignment of staff and investor interests, the Fund Manager encourages staff to subscribe to this fund and, where appropriate, offers a certain discount on the subscription fee.

(VI) Rejection or Suspension of Subscription

The Fund Manager may reject or suspend the acceptance of the Fund Investor's application of Subscription in any of the following circumstances:

1. The Fund fails to operate normally due to Force Majeure.
2. The Fund Manager fails to calculate the NAV of the Fund for that day due to the abnormal closure of stock exchanges during the trading hours.
3. The occurrence of any situation relating to the suspension of valuation of the fund assets specified in the Fund Contract.
4. The Fund Manager believes that the acceptance of a particular or several Subscriptions may harm the interests of existing Unitholders.
5. The size of fund assets is too large that results in the Fund Manager may fail to find any appropriate types of investment, or the Fund Manager considers that the Subscription may harm the interests of the existing Unitholders.
6. A Fund Manager's acceptance of a subscription application or certain subscription applications may, intentionally or unintentionally, result in a given investor's proportion of shares to reach or exceed the 50% limit.
7. The Fund Manager, after consulting with the Fund Custodian, shall suspend accepting subscription applications if the specific assets account for more than 50% of the Fund's NAV on the previous valuation day.
8. The Fund Manager's acceptance of subscription applications from certain investors, which makes such investors violate laws, regulations or rules applicable to them, may harm the interests of the Fund or the Unitholders.
9. Other situations as stipulated by the provisions of Laws and Regulations or the CSRC.

In the event of the occurrence of a suspension of Subscription due to aforementioned point 1, 2, 3, 5, 7 or 9, the Fund Manager shall make an announcement for such suspension of Subscription on Designated Media and Fund Manager's website according to relevant provisions. If the application for Subscription of an Investor of the Fund is rejected, the Subscription amount rejected will be returned to the Investor. When there are no such circumstances of suspension of Subscription, the Fund Manager shall resume the Subscription business on a timely basis.

(VII) Suspension of Redemption or Deferral Payment of Redemption Monies

The Fund Manager may suspend the acceptance of Redemption applications of the Fund Investors or defer the payment of Redemption monies in any of the following circumstances:

1. The Fund Manager is unable to pay the Redemption monies due to Force Majeure.
2. The Fund Manager is unable to calculate the NAV of the Fund for that day due to the temporary closure of stock exchanges determined according to laws.

3. The occurrence of Substantial Redemption for two or more consecutive Dealing Days.
4. The occurrence of any situation relating to the suspension of valuation of the fund assets specified in the Fund Contract.
5. The Fund Manager, after consulting with the Fund Custodian, shall postpone issuing payments for redemption or suspend accepting redemption applications if the specific assets account for more than 50% of the Fund's NAV on the previous valuation day.
6. Other situations as stipulated by the provisions of Laws and Regulations or the CSRC.

In the event of occurrence of the above circumstances, the Fund Manager shall report to the CSRC on the same day. For the Redemption applications that have already been accepted, the Fund Manager shall make full payment on schedule. If the full payment cannot be made for the time being, the Fund Manager may make payments to the applicants of Redemption proportionately according to the ratio of the amount of application made from a single account to the total amount of applications. A deferral payment can be made on the outstanding portion, and the Redemption amount shall be calculated based on the NAV per Fund Unit of the subsequent Dealing Day. In event of occurrence of the situation in Item 3 above, it shall be proceeded according to the relevant provisions of the Fund Contract. When applying for Redemption, the Investors may choose in advance to withdraw the portion of Redemption that has not been accepted on that day. For the suspension of Redemption of the fund, the Fund Manager shall timely make an announcement for such suspension of Redemption on at least one Designated Media and the Fund Manager's website. When there are no such circumstances of suspension of Redemption, the Fund Manager shall resume the Redemption business on a timely basis and shall make an announcement.

(VIII) Situation and Treatment of Substantial Redemption

1. Determination of Substantial Redemption

Within a single Dealing Day, if the net Redemption application of the fund units (i.e. the balance resulting from the total amount of units of Redemption application plus the total amount of units of switching-out in Fund switching, and minus the total amount of units of Subscription application and the total amount of units of switching-in in Fund switching) is more than 10% of the total fund units on the preceding day, it shall be deemed as a Substantial Redemption.

2. Treatment of Substantial Redemption

In case of Substantial Redemption, the Fund Manager may decide, based on the prevailing status of the asset portfolio of the Fund, to accept Redemption applications in full or to defer part of the Redemption applications.

- (1) Full Redemption: If the Fund Manager believes it is able to pay for the Redemption applications of the Fund Investors, the Redemption shall be executed according to the normal Redemption procedure.

- (2) **Partial Deferred Redemption:** When the Fund Manager believes there are difficulties in the payment for Redemption applications of the Fund Investors, or believes that the realisation of assets as a result of the payment for the Redemption applications of Investors may cause a relatively great fluctuation to the NAV of the Fund, the Fund Manager may defer the payment for the remaining Redemption applications, provided that Redemptions accepted on that day shall not be less than 10% of the total fund units on the preceding day. For the Redemption applications on the day, the Fund Manager shall determine the units of Redemption to be accepted on that day based on the ratio of the amount of Redemption application made from a single account to the total amount of redemption applications. For the portion which is unable to be redeemed by the Fund Investor, the Investor may choose to defer or cancel the Redemption when submitting the application for Redemption. Where the Investor chooses to defer the Redemption, the fund units will be automatically carried forward to the next Dealing Day with continuous Redemption process, until all the fund units have been redeemed; where the Investor chooses to cancel the Redemption, the portion of application which has not been redeemed on that day will be withdrawn. The deferred portion of any Redemption application will be processed together with the Redemption application on the next Dealing Day without any priority and the amount of Redemption shall be calculated based on the NAV per Fund Unit of that Dealing Day. If the Fund Investor does not make any clear choice when submitting the application for Redemption, the portion that has not been redeemed by the Investor will be automatically treated as deferred Redemption.
- (3) If the substantial redemption occurs and a substantial redemption requested by a single investor exceeds 20% of the total number of fund units recorded on the previous fund trading day, the Fund Manager may postpone redemption of the portion in excess of 20% of the total number of fund units for such investor. Redemption of fund units held by such investor below the 20% cut-off point and redemption requested by other investors on the same day will be processed according to provisions in the preceding paragraphs. Refer to relevant announcements for further details.

3. Announcement of Substantial Redemption

When there is Substantial Redemption and deferred Redemption, the Fund Manager shall make an announcement on the Designated Media of CSRC, the Fund Manager's company website or the Sales Outlets of the Sales Agency within two days, and shall file it with the CSRC and the representative institution of the CSRC in which the Fund Manager's principal place of business is located on the date of public disclosure, and give a notice stating the relevant treatment ways to the Unitholders via mail, fax or other methods specified in the Prospectus within 3 Business Days.

In case of Substantial Redemption for more than two (inclusive) consecutive Dealing Days, the Fund Manager may suspend the acceptance of Redemption applications if necessary. The payment of Redemption monies for the Redemption applications which have been accepted, may be deferred for not more than 20 Business Days, and the Fund Manager shall make an announcement on the Designated Media and the Fund Manager's website.

(IX) Announcement on Suspension of Subscription or Redemption and Announcement on Re-opening of Subscription or Redemption

1. In the event of occurrence of the above circumstances of suspension of Subscription or Redemption, the Fund Manager shall make an announcement for such suspension on the Designated Media within the prescribed time limit.
2. If the suspension lasts for one day, the Fund Manager shall, on the next Business Day, make an announcement of the re-opening of Subscription or Redemption on the Designated Media and the Fund Manager's website according to relevant provisions, and shall publish the NAV per Fund Unit of the latest Business Day.
3. If the suspension lasts for more than one day but less than two weeks, the Fund Manager shall, according to the relevant provisions of *Measures on Information Disclosure*, make an announcement of the re-opening of Subscription or Redemption on the Designated Media and the Fund Manager's website when the suspension concludes and the Subscription or Redemption of the Fund is re-opened, and shall publish the NAV per Fund Unit of the latest Business Day.
4. If the suspension lasts for more than two weeks, the Fund Manager shall make an announcement of the suspension at least once every two weeks during the suspension period. When the suspension concludes and the Subscription or Redemption of the Fund is re-opened, the Fund Manager shall, according to the relevant provisions of *Measures on Information Disclosure*, make an announcement of the re-opening of Subscription or Redemption of the Fund on the Designated Media and the Fund Manager's website, and shall publish the NAV per Fund Unit of the latest Business Day.

(X) Fund Switching

The Fund Manager may, according to the relevant Laws and Regulations and the provisions of the Fund Contract, decide to launch the Switching business between the Fund and other funds under the management of the Fund Manager. Certain Switching fees may be charged for Fund Switching. Relevant rules shall then be formulated and published by the Fund Manager according to the relevant Laws and Regulations and the provisions of the Fund Contract and shall be notified to the Fund Custodian and the relevant institutions timely.

(XI) Non-trading Transfer of the Fund

It refers to the non-trading transfer accepted by the Registrars for inheritance, donation, judicial enforcement and arising from other circumstances recognised by the Registrars. Regardless of any of the above-mentioned circumstances, the subject transferee must be the Investor who can hold the fund units of the Fund according to laws.

Inheritance refers to the situation where a Unitholder deceased and his/her fund units are inherited by the legal heir; donation refers to the situation where a Unitholder donates his/her legally held fund units to any charity funds or social groups; judicial enforcement refers to the situation where a judicial authority compulsorily transfers the fund units of a Unitholder to another natural person, legal person or other organisations according to a valid judicial document. To process the non-trading transfer, the relevant materials required by the Registrars must be provided, and those applications for non-trading transfer that satisfy the conditions will be dealt with within 2 months from the day of acceptance of such applications and will be charged a fee at a rate specified by the Registrars.

(XII) Agency Transfer of the Fund

Unitholders may carry out the agency transfer of fund units held between different Sales Institutions and the Sales Institutions of the Fund may charge an agency transfer fee at a rate according to the stipulated standards.

In the event of any limitations of technical system performance or other reasonable causes of the Fund Manager, the Registrars and the Sales Institutions that process Agency Transfer, the business may be suspended and the application for Agency Transfer from Unitholders can be rejected.

(XIII) Periodic Investment Plan

Subject to the satisfaction of all requirements, the Fund can provide the service of periodic investment plan to the Fund Investors, and specific implementation measures shall be determined by the updated Prospectus and the announcement of the Fund Manager at that time.

(XIV) Other circumstances

Business of freezing and unfreezing of Fund Account and fund units are processed by the Registrars.

The Registrars only accept the freezing and unfreezing of Fund Accounts or fund units as required by relevant authorities in the State in compliance with laws or the freezing and unfreezing of Fund Accounts or fund units under other circumstances recognised by the Registrars. If the Fund Accounts or fund units are frozen, the interests incurring from the frozen fund units shall also be frozen, unless otherwise provided by Laws and Regulations, the CSRC or the judgment and determination from a court.

When the fund units are being frozen, the Fund Registrars or other relevant institutions shall reject the Redemption application, switching-out application, non-trading transfer and the Fund's Agency Transfer of the fund units.

(XV) Subscription and Redemption of the Fund during the Implementation of the Side Pocket Mechanism

If the Fund implements the side pocket mechanism, please refer to the "Side Pocket Mechanism" section of this Prospectus or relevant announcements to be released on the occasion for details of the Fund's subscription and redemption arrangements.

VIII. INVESTMENTS OF THE FUND

(I) Investment Objectives

The Fund aims to achieve stable appreciation of the Fund's assets while subject always to effective control of risk. With a view to capture economic structure adjustments and rising trend of industrial upgrading, the Fund seeks to explore investment opportunities in growing emerging industries with a focus on high-quality listed companies in emerging industries as well as listed companies in traditional industries that have new impetus for growth.

(II) Investment Concepts

Under the background of national economic transformation and through the perspective analysis of direction of economic restructuring and industrial upgrades, investment opportunities shall be grasped during the abrupt rise of emerging industries. In the meantime, the new investment opportunities brought by the traditional industry upgrade and the development and transformation of the traditional industry companies shall be explored, so as to achieve the long-term and stable appreciation of the Fund's assets.

(III) Investment Scope

The investment scope of the Fund includes financial instruments with good liquidity, including stocks that are issued and listed in Mainland China in accordance with the law of the Mainland China (including ChiNext and small/medium sized enterprises ("SME") stocks and other listed stocks approved by CSRC), Chinese depository receipts, bonds issued by Mainland Chinese issuers, money market instruments, warrants, asset-backed securities and other financial instruments which are permitted for fund investment by relevant laws and regulations or CSRC in China, provided that the relevant requirements stipulated by CSRC are satisfied.

The proportion of the Fund's portfolio is: stocks and other equity assets cover 60% – 95% of the Fund's assets; bonds and other fixed income assets cover 0-40% of the Fund's assets; warrants investment covers 0-3% of the NAV of the Fund; cash or government bonds with a maturity less than 1 year shall not be less than 5% of NAV of the Fund, and cash does not include settlement provisions, guarantee deposits paid and subscription amounts receivable. Not less than 80% the Fund's investment in stocks shall be invested in the stocks of high-quality listed companies in emerging industries and the stocks of listed companies in traditional industries that have new impetus for growth.

Should the relevant laws or regulator(s) permit other types of financial instruments to be invested in by funds, subject to the Fund Manager completing appropriate procedures, such financial instruments may be included in the Fund's investment scope.

(IV) Investment Strategies

1. Asset allocation strategies

For allocation of primary categories of assets of the Fund, a method combining the qualitative analysis and quantitative analysis will be adopted from macroscopic level, and the primary categories of assets will be actively allocated by a comprehensive analysis of integrating macroeconomic environment, macroeconomic policies, industrial policies, extent of prosperity of the industry, securities market trends and liquidity.

The key drivers affecting the assets income mainly include fundamentals and liquidity. The fundamentals driver mainly refers to changes of factors, such as performance growth, interest rate environment and inflation expectations under the impact on business cycle and inflation cycle; the liquidity driver mainly manifests as influences of changes in monetary market environment, specifically including movements in exchange rates and changes in liquidity structures, etc. With the relative changes of characteristics of risks and returns of various types of assets, the Fund shall adjust the investment proportion of stocks, bonds and money market instruments in a timely manner.

2. Stock Investment Strategies

The Fund Manager believes that from the medium- and long-term trends of economic development, changing the economic development mode and accomplishing economic transformation have become the top priority of China's economic development over a very long period of time. During the post-financial crisis era, China's economy is confronted with many problems, such as decelerated external demand and serious conflicts of internal economic structure. Therefore, the adjustments on economic structure and industry structure should be accelerated to realise the sustainable and healthy economic development.

Throughout the economic development history of countries and regions around the world, the abrupt rise of emerging industries and the upgrading of traditional industries are the main driving forces of economic transformation. Predictably, the endogenous market potentials of emerging industries will, by the stimulation of strong support from the government, boost the comprehensive development of relevant upstream and downstream industries, which embeds with enormous investment opportunities. Meanwhile, some traditional industries will also acquire new driving force of growth by realizing the industrial upgrading via new technologies, new business patterns or production modes, etc. On the one hand from the emerging industries, the Fund will profoundly explore investment opportunities brought from the development process of emerging industries, and on the other hand will pay attention to the investment of growing companies in traditional industries.

(1) Exploring high-quality listed companies in emerging industries

The Fund defines the scope of emerging industries with reference to the national selection criteria of strategic emerging industries, which specifically includes: energy conservation and environmental protection, new generation information technology, biology, high-end equipment manufacturing, new energy resources, new materials and new energy vehicles. As emerging industry is a concept of dynamic changes with times, the scope of emerging industry will change constantly along with continuous economic and technological development. We will conduct dynamic tracking of various industries and update the scope of emerging industry regularly or irregularly.

As many sub-industries are covered in emerging industries, the Fund Manager will analyze the investment opportunities in each industry from multiple perspectives and comprehensively evaluate the investment value of each industry mainly from the following aspects: 1. Policy impact analysis. Pursue in-depth study of national economic policies, industrial policies and regional policies, and evaluate the ways and extent of their impacts on different industries. 2. Market breadth analysis. Mainly analyze the growth space and growing speed of product demands in various industries. Thoroughly investigate the existing development status of all industries, and evaluate their future growth space and growing speed with reference to the predictions for market capacities of the industries made by the government and major research institutions, to determine their growth opportunities in future. 3. Analysis of extent of prosperity of the industry. Analyze the influences of different stages of business cycles on the various industries, and judge the extent of prosperity of the industries by making use of the main indicators that reflect their development status and considering various factors such as development trend of industry technologies, organisational innovation and consumer demand. 4. Analysis of industry competition structure. Mainly analyze the capability of research and development on technology and entry barriers of the industries, and determine whether they have stronger capability of research and development on technology and higher entry barriers.

With respect to stock selection, the Fund will evaluate the investment value of listed companies based on various aspects: the company's position in the industry, core competitiveness, the extent of being influenced by national policies, earnings growth prospect, and corporate governance, etc., and will select the stocks of listed companies in emerging industries that have core technology and competitive advantages, have more benefits from the industrial policies of the State and have greater growth potentials.

(2) Selecting companies with new growth momentum in traditional industries

When investing in companies in traditional industries, the Fund will take external factors and internal factors that impact the companies' sustainable growth capability as two main streams, that conduct an in-depth analysis of changes in macroeconomic environment and company's internal factors at macro and micro levels respectively, evaluating their impacts on operations of listed companies, and exploring the growth momentum for companies' sustainable development. Through systematic macroeconomic analysis, policy analysis, fundamentals analysis and market analysis, the Fund will mainly invest in stocks of listed companies in traditional industries that achieve new growth momentum benefiting from industrial upgrading and companies' own development and reforms.

At the macro level, the Fund Manager will adopt a top-down analysis method, and select industries and individual stocks that are supported by national policies and have growth potentials for allocation through conducting analysis of various factors, such as macroeconomic policies, industrial policies, and regional policies.

At the micro level, the Fund will adopt a bottom-up method to select individual stocks, actively discover major element changes in the course of operation and development of the companies, and analyze their impacts on the companies' growth capability and profitability in the future. There are two modes of enterprise growth: endogenous growth and extensive growth. Endogenous growth of enterprise refers to the growth realised by the enterprise by using its internal resources, and extensive growth refers to the growth realised by the enterprise through capital operation means, such as mergers and acquisitions and by using external resources. The Fund Manager will adopt a bottom-up research method, thoroughly explore new drivers of the companies' future growth, evaluate the investment value of listed companies based on corporate development strategies, core competitiveness, profitability and quality of earnings, financial soundness, corporate governance structure, etc., and seek for stocks of listed companies with great growth potentials.

Based on the above analysis, the Fund will focus on the following two types of listed companies in traditional industries: (1) Listed companies that are supported by national policies during the industrial upgrading process, possess core technological advantages and have definite growth opportunities in traditional industries. (2) Listed companies that obtain new growth momentum through major changes in corporate assets resulted from acquisitions and replacements, or through breakthroughs in companies' technologies or products.

(3) Valuation optimisation

In order to avoid investing in overvalued corporate stocks, the Fund will combine the characteristics of the industries of the listed companies and their business modes with the use of relative valuation indicators, such as price-earnings ratio (P/E), price to book ratio (P/B), price/earnings to growth ratio (PEG), and enterprise value / earnings before interest, tax, depreciation, and amortisation (EV/EBITDA), as well as absolute valuation methods, such as dividend discount model (DDM) and discounted free cash flow model (FCFF, FCFE), in order to further select reasonably-valued stocks to construct the investment portfolios.

3. Fixed income investment strategies

For the selection of fixed income assets, the Fund will take value analysis as the main line, and implement active portfolio management on the basis of comprehensive research, and carry out investment management mainly through two levels, namely category placement and bond selection.

On the level of category placement, combined with the comprehensive analysis of various factors including the macro economy, market interest rates, supply and demand of bonds, etc., as well as based on the characteristics of risks and returns of category assets in the stock exchange market and the interbank market, an optimised allocation and adjustment of category assets of the investment portfolio shall be carried out regularly, so as to determine the optimal weightings of category assets.

As for the selection of bond types, the Fund focuses on selecting bonds types with good liquidity, reasonable risk level, higher yield to maturity and credit quality, on the basis of analysis on the mid to long term interest rate trends, combined with factors such as changes in economic trends, monetary policies and levels of yields of various types of bonds, liquidity and credit risk. Specific Strategies are:

- (1) Interest rate anticipation strategy: The Fund will first make an analysis on the trend of changes in market and investment environment, based on the forecast of domestic and foreign economic conditions, with a focus on the change in the trend of interest rate. Through comprehensive analysis on factors, such as macro economy, monetary policy and fiscal policy, trend of changes in price levels, etc., reasonable expectations on interest rate movements could be achieved.
- (2) Valuation strategy: Establish various yield curve forecast models, and make use of these models to evaluate and ascertain the trend of movements in price centers. Based on yields, liquidity, risk matching principles as well as valuation principles of bonds, an investment portfolio shall be constructed with reasonable choices of bond types with investment value in different markets.
- (3) Duration management: The Fund shall endeavor to grasp the quantitative relationship between the duration and the price volatility of bonds, and based on the expectations of changes in interest rates in the future and focusing on the evaluation of duration and changes of yields, to achieve reasonable allocation of investment types through duration management.
- (4) Liquidity management: The Fund, by paying close attention to cash flow of Subscription and Redemption, seasonal liquidity, calendar effect etc., establishes warning indicators of portfolio liquidity and achieves structural management of the Fund's assets, so as to ensure the overall liquidity of the Fund's assets.

4. Investment strategies for convertible bonds

Convertible Bonds (including bonds embedded with warrants) have characteristics of both the equity securities and the fixed income securities, along with the features of being able to resist the downside risk, and sharing the stock price gains. The selection of convertible bonds shall be combined with their characteristics of both bond and stock, and valuation analysis shall be carried out on the basis of in-depth study on company fundamentals and the terms of convertible bonds, thus investment shall be made in the convertible bonds with excellent company fundamentals, higher margin of safety and good liquidity, so as to obtain a stable investment return.

5. Investment strategies for warrants

Warrants are the ancillary investment instruments of the Fund, and the investment principle is conducive to the appreciation of the Fund's assets and is conducive to strengthen the risk control of the Fund. When the Fund invests in warrants, it will, through an in-depth study on the fundamentals of the underlying securities of warrants and by combining with warrants pricing model and its indicators such as implied volatility, seek a reasonable valuation level of the warrants and make a prudent investment, so as to pursue relatively stable current income.

6. Investment strategies for Chinese depositary receipts

The Fund will invest in Chinese depositary receipts according to the investment objectives and stock investment strategies of the Fund, and based on in-depth research and determinations on the investment value of the underlying securities.

(V) Performance Comparison Benchmark

The Fund's performance comparison benchmark is:

China Strategic Emerging Industries Component Index yield \times 85% + SSE Treasury Bond Index yield \times 15%

The China Strategic Emerging Industries Component Index is compiled by China Securities Index Co., Ltd. Adopting the free-float weighted methodology, 100 representative listed companies are selected from industries including energy conservation and environmental protection, new-generation information technology, biological, high-end equipment manufacturing, new energy, new materials, new energy vehicles, digital creative, and high-tech services industries to reflect the trends of listed companies operating in the Chinese strategic emerging industries. The constituents for SSE Treasury Bond Index are all fixed-rate treasury bonds listed on the Shanghai Stock Exchange, and the index is weighted by the outstanding amounts of the treasury bonds. Given the investment scope and ratios of the Fund, the adoption of the aforementioned performance comparison benchmark can reflect the risk-return characteristics of the Fund with objectivity and reasonableness.

If the calculation or compilation of the aforementioned benchmark indexes stops or their names change, or relevant laws or regulations change in the future, or more representative performance comparison benchmarks or more scientific composite index weightings appear in the market, the Fund will adjust the performance comparison benchmark accordingly upon consultation with the Fund Custodian based on the actual circumstances. Adjustments to the performance comparison index shall be conducted in accordance with appropriate formalities prescribed by the laws, regulations and requirements set by regulatory authorities, and shall be filed with the CSRC and be announced publicly, without the need to hold the Fund unitholder meeting to deliberate such matter.

(VI) Characteristics of Risks and Returns

The Fund is a mixed fund product, with its expected level of risks and returns lower than equity funds, and higher than bond funds and money market funds. Therefore, it is a fund product with a relatively high level of risks.

According to the "Measures Governing the Suitability of Securities and Futures Investors" implemented on 1 July 2017, the Fund Manager and relevant sales institutions have re-rated the risk rating for the Fund. The issuing of risk rating does not change the Fund's substantive risk-return characteristics, but due to changes in risk rating classification standards, the Fund's risk rating may change accordingly. The specific risk rating result is subject to the rating result provided by the Fund Manager and Sales Institutions.

(VII) Basis of Investment Decisions

1. Relevant national laws and regulations and the provisions of the Fund Contract;
2. Macroeconomic conditions and securities market trends;
3. The State's fiscal policies, monetary policies, industrial policies and regional planning and development policies;
4. Industrial development trends and fundamentals of listed companies.

(VIII) Investment Decision-making Process

The basic principles of investment decision is to establish investment strategies of the Fund and implement the investment plans based on the basic approach, investment scope and investment restrictions, etc. stipulated in the Fund Contract. properly control risks and assets safety, pursue reasonable growth of investment gains, and maximise the protection of interests of the holders of the Fund.

The Company adopts a hierarchical mode of investment decision which combines collective decision-making of the Investment Decision-making Committee with the authorised decision-making of the fund manager. Macro decisions, such as asset allocation and investment principles shall be made by the Investment Decision-making Committee; and specific decisions, such as portfolio structure, category selection and timing selection shall be made by the fund manager. The specific decision-making process of the Fund is as follows:

1. Investment of the Fund is established on the basis of in-depth research and analysis. The Fund will make use of the Company's strong internal research platform and integrate research results of external securities companies. The researchers will provide research reports based on onsite research and study and desk analysis to the Investment Decision-making Committee and the fund manager for reference.
2. The Investment Decision-making Committee is the core decision-making organisation of investment management of the Fund. The Investment Decision-making Committee will convene meetings regularly or irregularly, and analyze and evaluate the performances of the investment operations within the framework of investment restrictions determined in accordance with relevant laws and regulations and the Fund Contract; it will also make resolutions on asset allocation based on the conclusion of the existing asset allocation and determine the securities rating model as the basis for investment operations by the fund manager.
3. On the basis of the decisions made by the Investment Decision-making Committee, the fund manager constructs the investment portfolio within its scope of authority, and is responsible for organizing implementation, tracking and adjustment, so as to achieve the investment objectives of the Fund.
4. The Trading Department carries out the trading orders of the fund manager and provides timely feedback for the status of the transactions.
5. The Risk Management Department shall, regularly and irregularly, conduct the risk and performance evaluation on the Fund and provide the relevant report.

(IX) Investment Restrictions

The investment portfolio of the Fund is subject to the following restrictions:

- (1) The market value of stocks of one listed company held by the Fund shall not be more than 10% of the NAV of the Fund;
- (2) The holdings of the Fund and any other fund managed by the Fund Manager in the securities issued by a company shall not be more than 10% of such securities;
- (3) The number of outstanding shares issued by a listed company held by all open-ended funds managed by the Fund Manager should not exceed 15% of the total number of outstanding shares in the listed company;
- (4) The number of outstanding shares issued by a listed company held by all portfolios managed by the Fund Manager should not exceed 30% of the total number of outstanding shares issued by such listed company;
- (5) The capital balance financed through the bond repurchase in the national interbank market shall not be more than 40% of the NAV of the Fund. The maximum term of bond repurchase is 1 year and shall not be extended after expiration of bond repurchase;
- (6) Where the Fund participates in the subscription of share issuance, the amount reported by the Fund shall not be more than the total assets of the Fund and the number of shares reported by the Fund shall not be more than the total number of shares to be issued by the share issuer for this issuance;
- (7) The value of cash (not including settlement provisions, guarantee deposits paid and subscription amount receivables) or government bonds maturing within one year as a percentage of the NAV should be kept above 5%;
- (8) Regarding the Fund's investment in warrants, the total amount purchased on any trading day shall not be more than 0.5% of NAV of the Fund of the previous trading day. The market value of all warrants held by the Fund shall not exceed 3% of the NAV of the Fund, and the proportion of the same warrant held by all the funds managed by the Fund Manager shall not be more than 10% of that warrant. The proportion of investment in other warrants shall conform to Laws and Regulations or relevant requirements of regulatory authorities;
- (9) The proportion of the same (referring to the same credit rating) asset-backed securities held by the Fund shall not be more than 10% of the size of such asset-backed securities; the proportion of various types of assets-backed securities of the same original holder invested by the Fund shall not be more than 10% of the NAV of the Fund; the investment in various types of asset-backed securities of the same original holder made by all securities investment funds managed by the Fund Manager shall not be more than 10% of the aggregate size of various types of asset-backed securities; the market value of all asset-backed securities held by the Fund shall not be more than 20% of the NAV of the Fund.

- (10) The market value of assets with trading restrictions in which the Fund invested should not exceed 15% of the Fund's NAV.

In the event that this investment limit is violated due to factors beyond the control of the Fund Manager, e.g. securities market fluctuations, trading suspension for shares in the listed company and changes in fund size, the Fund Manager shall not proactively increase investment in such assets with trading restrictions;

- (11) Where the Fund carries out a reverse repurchase as the counterparty to a private equity product or another entity recognised by the CSRC, the qualification requirements of the collaterals offered should be the same as the investment scope in the Fund Contract;
- (12) The Fund shall not violate the provisions related to the investment scope, investment strategy, and investment proportion stated in the Fund Contract.
- (13) The percentage limit of the Fund's investment in Chinese depositary receipts shall conform with that of domestically listed and traded stocks, and shall be calculated in combination with domestically listed and traded stocks, unless otherwise provided by the Laws and Regulations or regulatory authorities;
- (14) Any restrictions on the said proportions as otherwise stipulated by the Laws and Regulations or the regulatory authorities shall prevail.

The Fund Manager shall enable the proportions of the investment portfolio of the Fund in compliance with that prescribed in the Fund Contract within 6 months from the Effective Date of the Fund Contract. Subject to the relevant laws and regulations, if the fund's portfolio does not comply with the investment ratios above (excluding clauses (7), (10) and (11)) due to the factors not attributable to the Fund Manager, such as fluctuation in securities market, merger of listed companies, change in Fund size, etc., the Fund Manager shall make adjustment within 10 trading days. Any proportions as otherwise stipulated by the Laws and Regulations or the regulatory authorities shall prevail.

If the aforesaid restrictions are cancelled by the Laws and Regulations or the regulatory authorities, the investments of the Fund shall not be subject to the aforesaid restrictions after fulfilling appropriate procedures.

(X) Prohibited Activities

In order to maintain the legitimate interests of the Unitholders, the Fund shall not engage in the following activities:

1. Underwriting of securities;
2. Granting loans or providing guarantee to other parties;
3. Making investments which are subject to unlimited liabilities;
4. Purchasing or selling units of other funds, except as otherwise stipulated by the State Council;

5. Making contributions to the Fund Manager or Fund Custodian, or purchasing or selling the stocks or bonds issued by the Fund Manager or Fund Custodian;
6. Purchasing or selling securities issued by or underwritten within the underwriting period by the shareholders who have controlling relationship with the Fund Manager or Fund Custodian or by the companies which have material beneficial interests with the Fund Manager or Fund Custodian;
7. Engaging in insider dealing, manipulation of trading prices of securities and other improper securities dealing activities;
8. Other activities prohibited by the CSRC pursuant to the relevant provisions of the Laws and Regulations.

If aforesaid prohibitive provisions are cancelled by the Laws or Regulations or the regulatory authorities, the investments of the Fund shall not be subject to the aforesaid restrictions after fulfilling appropriate procedures.

(XI) Principles and Methods for the Fund Manager in the Exercise of Shareholders' Rights on behalf of the Fund

1. The Fund Manager shall, according to the relevant regulations of the State, exercise the shareholders' rights independently on behalf of the Fund to protect the interests of the Unitholders;
2. Not seeking to controlling listed companies and not participating in the operation management of listed companies in which it has invested;
3. Beneficial to the safety and appreciation of the Fund's assets;
4. Not obtaining any undue benefits for itself, employees, authorised agents or any interested third parties by entering into any connected transactions.

(XII) Margin facility and securities borrowing of the Fund

The Fund may engage in margin facility and securities borrowing according to the provisions in relevant Laws and Regulations and policies.

(XIII) Implementation and Investment Operation Arrangements of the Side Pocket Mechanism

When the Fund holds specific assets and there are, or there potentially will be substantive redemption applications, in accordance with the principle of protecting the interests of Unitholders to the greatest extent, the Fund Manager can activate the side pocket mechanism in accordance with laws and regulations and as agreed in the Fund Contract without convening a Unitholders' Meeting for deliberation after negotiation and agreement with the Fund Custodian and consultation with the Accounting Firm.

During the implementation of the side pocket mechanism, the investment portfolio ratios, investment strategies, portfolio restrictions, performance comparison benchmarks, and risk-return characteristics agreed in this Section are only applicable to the main pocket account.

The implementation conditions, implementation procedures, operation arrangements, investment arrangements, disposal, realisation and payment of specific assets and other matters of the side pocket account that have a significant impact on Investors' rights and interests are detailed in the "Side Pocket Mechanism" chapter of this Prospectus.

(XIV) Investment Portfolio Report of the Fund

(I) Portfolio of the Fund's assets at the end of the reporting period

No.	Items	Amount (Yuan)	Proportion in the Total assets of the Fund (%)
1	Equity Investment	5,123,348,989.41	91.41
	Among which: Stocks	5,123,348,989.41	91.41
2	Fixed Income Investment	—	—
	Among which: Bonds	—	—
	Asset-backed Securities	—	—
3	Precious metals investment	—	—
4	Financial Derivatives Investment	—	—
5	Financial Assets Purchased under Agreement to Resell	—	—
	Among which: Buyout Repo of Financial Assets Purchased under Agreement to Resell	—	—
6	Aggregate of Bank Deposit and Settlement Provisions	438,960,790.19	7.83
7	Other assets	42,673,330.84	0.76
8	Total	5,604,983,110.44	100.00

(II) Stock investment portfolio categorised by industries at the end of the reporting period

Code	Categories of Industry	Fair Value (Yuan)	Proportion in NAV of the Fund (%)
A	Agriculture, Forestry, Livestock Husbandry and Fishery	260,531,948.00	4.69
B	Mining	56,788,444.32	1.02
C	Manufacturing	4,219,821,513.50	75.99
D	Electricity, Heating Power, Gas and Water Production and Supply	—	—
E	Construction	74,886,852.15	1.35
F	Wholesale and Retail	82,898,310.55	1.49
G	Transportation, Storage and the Post	—	—
H	Accommodation and Catering	—	—
I	Information Transmission, Software and Information Technology Services	342,631,749.59	6.17
J	Financial	3,592,566.78	0.06
K	Real Estate	—	—
L	Leasing and Commercial Services	—	—
M	Scientific Research and Technology Services	—	—
N	Water Conservancy, Environment and Administration of Public Utilities	2,991,753.12	0.05
O	Residential Services, Repair and Other Services	—	—
P	Education	—	—
Q	Hygiene and Social Affairs	—	—
R	Culture, Sport and Entertainment	79,205,851.40	1.43
S	Comprehensive	—	—
	Total	5,123,348,989.41	92.26

- (III) Breakdown of top 10 stocks (in descending order) ranked in terms of market value as a percentage of NAV of the Fund at the end of the reporting period

No.	Stock Code	Stock Name	Quantity (shares)	Fair Value (Yuan)	Proportion in NAV of the Fund (%)
1	601012	LONGi Green Energy Tech	7,279,200	546,012,792.00	9.83
2	300014	Eve Energy Co., Ltd.	8,046,277	398,290,711.50	7.17
3	600438	Tongwei Co.Ltd	12,323,006	327,545,499.48	5.90
4	300750	Contemporary Amperex Technology	1,358,457	284,189,204.40	5.12
5	000661	Changchun High & New Tech Industry Inc	764,070	282,430,834.80	5.09
6	300136	Shenzhen Sunway	5,010,253	273,108,891.03	4.92
7	601689	Ningbo Tuopu Group	6,535,537	261,421,480.00	4.71
8	002714	Muyuan Foods	3,520,702	260,531,948.00	4.69
9	002236	Dahua Technology	12,122,385	248,508,892.50	4.48
10	300433	Lens Technology	5,834,932	187,418,015.84	3.37

- (IV) Bond investment portfolio categorised by bond types at the end of the reporting period

The Fund did not hold bonds at the end of the reporting period.

- (V) Breakdown of top 5 bonds (in descending order) ranked in terms of market value as a percentage of NAV of the Fund at the end of the reporting period

The Fund did not hold bonds at the end of the reporting period.

- (VI) Breakdown of top 10 asset-backed securities (in descending order) investment ranked in terms of fair value as a percentage in the NAV of Fund at the end of the reporting period:

The Fund did not hold any asset-backed securities at the end of the reporting period.

- (VII) Breakdown of top 5 precious metals (in descending order) investment ranked in terms of fair value as a percentage in the NAV of the Fund at the end of the reporting period

The Fund did not hold any precious metals at the end of the reporting period.

- (VIII) Breakdown of top 5 warrants (in descending order) investment ranked in terms of fair value as a percentage in the NAV of the Fund at the end of the reporting period.

The Fund did not hold any warrants at the end of the reporting period.

- (IX) Descriptions of the trades of stock index futures invested by the Fund at the end of the reporting period

The Fund did not hold any stock index futures at the end of the reporting period.

- (X) Description of the trades of the treasury bond futures invested by the Fund at the end of the reporting period

The Fund did not hold any treasury bond futures at the end of the reporting period.

- (XI) Notes to the Investment Portfolio Report

1. During the reporting period, none of the issuers of the top 10 securities invested by the Fund was found to be under investigation by the regulatory authorities in the current period or being publicly condemned or punished within one year prior to the preparation date of the report.
2. During the reporting period, none of the top ten stocks invested by the Fund is excluded from the scope of alternative stock pool as stipulated in the Fund Contract.
3. Composition of other assets

No.	Name	Amount (Yuan)
1	Guarantee Deposit and Margin Paid	1,971,853.43
2	Receivables of Securities Clearing	16,693,730.38
3	Dividends Receivable	—
4	Interest Receivable	123,780.90
5	Subscription Proceeds Receivable	23,883,966.13
6	Other Receivables	—
7	Deferred Charges	—
8	Others	—
9	Total	42,673,330.84

4. Breakdown of convertible bonds in conversion period held at the end of the reporting period

The Fund did not hold any convertible bonds in conversion period at the end of the reporting period.

5. Top 10 stocks in restricted circulation at the end of the reporting period:

The top 10 stocks of the Fund were not subject to restricted circulation at the end of the reporting period.

6. Other written description of the notes to the Investment Portfolio Report

In the portfolio report, there may be some differences between the sum of sub-items and the total amount due to rounding.

IX. PERFORMANCE OF THE FUND

The Fund Manager shall manage and use the Fund's assets with due diligence, honesty and good faith, prudence and care, but shall not guarantee any profits or minimum returns on the Fund. The Fund's past performance is not indicative of its future performance. Investment involves risk. Before investing in this Fund, investors are advised to read through the Prospectus carefully.

Class A CIFM China Emerging Power Fund:

Phase	Growth rate of NAV①	Standard deviation of growth rate of NAV②	Benchmark yield performance ③	Standard deviation of benchmark yield performance④	①-③	②-④
Fund inception date – Dec 31, 2011	-12.00%	0.75%	-18.19%	1.10%	6.19%	-0.35%
Jan 1, 2012 – Dec 31, 2012	27.73%	1.23%	6.71%	1.02%	21.02%	0.21%
Jan 1, 2013 – Dec 31, 2013	47.15%	1.63%	-5.57%	1.11%	52.72%	0.52%
Jan 1, 2014 – Dec 31, 2014	-5.50%	1.35%	42.21%	0.97%	-47.71%	0.38%
Jan 1, 2015 – Dec 31, 2015	65.39%	2.94%	5.68%	1.99%	59.71%	0.95%
Jan 1, 2016 – Dec 31, 2016	-19.81%	2.10%	-8.35%	1.12%	-11.46%	0.98%
Jan 1, 2017 – Dec 31, 2017	42.21%	1.37%	17.55%	0.51%	24.66%	0.86%
Jan 1, 2018 – Dec 31, 2018	-35.65%	1.91%	-19.12%	1.07%	-16.53%	0.84%
Jan 1, 2019 – Dec 31, 2019	70.27%	1.62%	29.73%	1.00%	40.54%	0.62%
Jan 1, 2020 – June 30, 2020	47.49%	2.11%	28.10%	1.65%	19.39%	0.46%
Jan 1, 2020 – Sep 30, 2020	54.30%	2.09%	36.69%	1.62%	17.61%	0.47%

Class H CIFM China Emerging Power Fund:

Phase	Growth rate of NAV①	Standard deviation of growth rate of NAV②	Benchmark yield performance ③	Standard deviation of benchmark yield performance④	①-③	②-④
Fund inception date – Dec 31, 2016	1.57%	1.81%	5.22%	0.93%	-3.65%	0.88%
Jan 1, 2017 – Dec 31, 2017	42.48%	1.37%	17.55%	0.51%	24.93%	0.86%
Jan 1, 2018 – Dec 31, 2018	-35.67%	1.91%	-19.12%	1.07%	-16.55%	0.84%
Jan 1, 2019 – Dec 31, 2019	70.38%	1.62%	29.73%	1.00%	40.65%	0.62%
Jan 1, 2020 – June 30, 2020	47.45%	2.11%	28.10%	1.65%	19.35%	0.46%
Jan 1, 2020 – Sep 30, 2020	54.28%	2.09%	36.69%	1.62%	17.59%	0.47%

X. ASSETS OF THE FUND

(I) Total Asset Value of the Fund

Total Asset Value of the Fund includes the total value of all marketable securities, the principal and interest of the bank deposits, the account receivable of the Fund and other assets possessed by the Fund.

(II) Net Asset Value (NAV) of the Fund

The NAV of the Fund is calculated by deducting the fund liabilities from the Total Asset Value of the Fund.

(III) Account of the assets of the Fund

In respect of the assets of the Fund, a bank deposit account shall be opened under the name of the Fund. A settlement reserve account for the settlement funds of securities trading shall be opened under the name of the Fund Custodian. A securities account shall be opened under the joint name of the Fund Custodian and the Fund. An interbank bond custody account shall be opened under the name of the Fund. The accounts opened specifically for the Fund shall be separated from the respective proprietary accounts of the Fund Manager, the Fund Custodian, the Fund distributor and the Registrar, as well as accounts of other fund assets.

(IV) Disposal of assets of the Fund

The assets of the Fund are segregated from the assets owned by the Fund Manager, the Fund Custodian and the Sales Agencies, and are under custody of the Fund Custodian. All the assets and revenue received from the Fund's management, operation or otherwise by the Fund Manager and the Fund Custodian shall belong to the assets of the Fund. The Fund Manager and the Fund Custodian may charge the management fee, custody fee and other fees as provided by the Fund Contract. The Fund Manager and the Fund Custodian are legally liable to the extent of their own assets; their creditors may not request the freezing or detaining the assets of the Fund or other rights against the assets of the Fund.

In the event that the Fund Manager or the Fund Custodian is under liquidation proceeding because of lawful dissolution, being legally revoked or declared bankruptcy, the assets of the Fund shall not be included for the assets for liquidation purpose.

The right of claims on the assets of the Fund shall not offset the debts of the Fund Manager and the Fund Custodian's own assets; and the right of claims and debts of different assets of the fund shall not be written off against each other.

The assets of the Fund shall not be disposed of, unless otherwise provided in the *Funds Law*, the Fund Contract or relevant regulations. Debts not borne by the assets of the Fund itself shall not be enforced against the assets of the Fund.

XI. VALUATION OF FUND ASSETS

(I) Purpose of Valuation

The purpose of valuation of the Fund's assets is to objectively and accurately reflect the fair value of the financial assets related to the Fund and provide a pricing basis for the fund units.

(II) Valuation Day

The Valuation Day of the Fund refers to a normal trading day of any related securities exchange and a non-trading day on which the net value of the Fund is required to be disclosed in accordance with the Laws and Regulations of the State.

(III) Valuation Objects

Stocks, Chinese depositary receipts, bonds, warrants and other fund assets and liabilities legally owned by the Fund.

(IV) Valuation Methods

1. Valuation Methods for Stocks:

(1) Valuation for Listed Stocks:

The listed and tradable stocks shall be valued at the closing prices at their securities exchanges on the Valuation Day. In case there is no trading on the Valuation Day and no material changes on the economic environment after the latest trading day, those stocks shall be valued at the closing prices on the latest trading day. If there

is no trading on the Valuation Day and there are material changes on the economic environment after the latest trading day, the valuation shall be made by adjusting the closing prices on the latest trading day and determining their fair values, with reference to the prevailing market prices and material changes of similar types of investment.

(2) Valuation for Unlisted Stocks:

- ① In case of unlisted stocks that are initially issued, valuation techniques shall be adopted to determine the fair value. Under the circumstances that the fair value is hard to be calculated by valuation techniques in a reliable manner, such stocks shall be valued at cost;
- ② The unlisted stocks that are issued through bonus issue, transfer of reserve to common stocks, rights issue and secondary public offering of new shares, shall be valued at the valuation price of the same stock listed on the stock exchanges on the Valuation Day, or shall be valued at the closing price of the latest trading day if there is no trading on the Valuation Day;
- ③ The stocks that are initially offered with a definite locked-in period shall be valued with the valuation method of the same stock listed on the stock exchanges on the Valuation Day after the listing of the same stock;
- ④ For the stocks that are not publicly offered and have a definite locked-in period upon their issuance, they are valued at the fair values determined in accordance with the relevant provisions of the regulatory authorities or industry associations.

(3) Under any circumstances, if the Fund Manager adopts any valuation methods stated in the above items (1) to (2) of this clause, it shall be considered that the appropriate valuation methods have been adopted. However, if the Fund Manager considers that the valuation methods stated in above items (1) to (2) of this clause which have been adopted to value the fund assets cannot objectively reflect their fair values, the Fund Manager may, pursuant to the specific circumstances and after consultation with the Fund Custodian, conduct a valuation at a price which better reflects the fair value.

(4) If there is any latest requirement of the State, the valuation shall be conducted accordingly.

2. Valuation Methods for Fixed-income Securities:

- (1) Fixed-income products which are traded or quoted for transfer on the stock exchanges shall be valued at the net value of products of corresponding types provided by third-party valuation agencies on the Valuation Day. The valuation agency shall be determined by the Fund Manager and the Fund Custodian through consultation.

- (2) The fixed-income products on the stock exchanges which have not traded at net prices shall be valued at the net prices calculated by deducting the interest receivable (the interest calculated from the first interest-bearing day or the previous accrual date to the Valuation Day of fixed-income products) on fixed-income products included in the closing prices of fixed-income products from the closing prices of the fixed-income products on the Valuation Day. In case there is no trading on the Valuation Day and no material changes on the economic environment after the latest trading day, the valuation shall be made at the net prices calculated by deducting the interest receivable on fixed-income products included in the closing prices of fixed-income products from the closing prices of the fixed-income products on the latest trading day.
- (3) In case of unlisted bonds that are initially issued, valuation techniques shall be adopted to determine the fair value for valuation. Under the circumstances that the fair value is hard to be calculated by valuation techniques in a reliable manner, such bonds shall be valued at cost.
- (4) In case of asset-backed securities that are transferred in block trade on the exchanges, valuation techniques shall be adopted to determine the fair value. Under the circumstances that the fair value is hard to be calculated by valuation techniques in a reliable manner, such securities shall be subsequently valued at cost.
- (5) In case of fixed income products, such as bonds, asset-backed securities, etc. that are traded on the interbank bond market, valuation techniques shall be adopted to determine the fair value.
- (6) Where a bond is traded on two or more markets at the same time, it shall be valued respectively at the market where it is traded.
- (7) Under any circumstances, if the Fund Manager adopts any valuation methods stated in the above items (1) to (6) of this clause, it shall be considered that the appropriate valuation methods have been adopted. However, if the Fund Manager considers that the valuation methods stated in above items (1) to (6) of this clause which have been adopted to value the fund assets cannot objectively reflect their fair values, the Fund Manager may conduct a valuation for bonds on the basis of a comprehensive consideration on various factors such as market trading price, market quotation, liquidity, yield curve, etc. The Fund Manager may, pursuant to the specific circumstances and after consultation with the Fund Custodian, conduct a valuation at a price which better reflects the fair value.
- (8) If there is any latest requirement of the State, the valuation shall be conducted accordingly.

3. Valuation Methods for Warrants:

- (1) During the time from the date of confirmation of holdings to the date of sale or the exercise date, the listed warrants that are held by the Fund shall be valued at the closing prices of such warrants quoted on the securities exchanges on the Valuation Day. In case there is no trading on the Valuation Day and no material changes on the economic environment after the latest trading day, such warrants shall be valued at the closing prices on the latest trading day. If there are material changes on the economic environment after the latest trading day, the latest trading market prices may be adjusted and the fair prices may be determined with reference to the prevailing market prices and material changes of similar types of investment.
 - (2) In case of unlisted warrants that are initially issued, valuation techniques shall be adopted to determine the fair value. Under the circumstances that the fair value is hard to be calculated by valuation techniques in a reliable manner, such warrants shall be valued at cost.
 - (3) In case of rights that are entitled by holding stocks and the warrants whose trading is suspended and have not been exercised, valuation techniques shall be adopted to determine the fair value for valuation.
 - (4) Under any circumstances, if the Fund Manager adopts any valuation methods stated in the above items (1) to (3) of this clause, it shall be considered that the appropriate valuation methods have been adopted. However, if the Fund Manager considers that the valuation methods stated in above items (1) to (3) of this clause which have been adopted to value the fund assets cannot objectively reflect the fair values, the Fund Manager may, pursuant to the specific circumstances and after consultation with the Fund Custodian, conduct a valuation at a price which better reflects the fair value.
 - (5) If there is any latest requirement of the State, the valuation shall be conducted accordingly.
4. The valuation calculation of the Fund's Chinese depositary receipts investment shall be carried out in accordance with that of the domestic listed stocks.
 5. Assets, such as other marketable securities shall be valued according to relevant provisions of the State.

(V) Valuation Procedures

The routine valuation of the Fund is conducted by the Fund Manager. After the valuation of NAV per Fund Unit is completed by the Fund Manager, the written valuation result shall be submitted to the Fund Custodian. The Fund Custodian shall then verify the valuation according to the valuation methods, time and procedures specified in the Fund Contract. If the valuation result is verified and is without any errors, the Fund Custodian shall return the signed valuation result to the Fund Manager. The Fund Manager shall publish the valuation result according to the Fund Contract and the relevant provisions of Laws and Regulations. The review on the month-end, half-year-end and year-end valuations shall be conducted simultaneously with the checking of fund accounting records.

(VI) Handling of Valuation Errors

The Fund Manager and the Fund Custodian shall take necessary, appropriate and reasonable measures to ensure the accuracy and timeliness of the valuation of the Fund's assets.

The Parties to the Fund Contract shall comply with the following agreed provisions:

1. Types of Errors

In the course of operation of the Fund, if the Fund Manager, Fund Custodian, Registrars, Sales Agencies or Investor make an error due to their own fault and cause any loss to other parties, the responsible party for the error shall be liable for and indemnify the party involved ("Impaired Party") for its loss incurred by such error based on the following "Error Handling Principles".

The main types of the aforesaid errors include but are not limited to errors in declaration of information, errors in data transmission, errors in data calculation, errors from system failure and errors in placing instructions; errors arisen from technical reasons that cannot be foreseen, avoided or defied at the existing technical level of the industry shall be considered as Force Majeure and shall be treated pursuant to the following provisions.

Where any event of Force Majeure results in the loss or false treatment of the Investor's trading information or other errors, the party who makes errors due to Force Majeure shall not be liable to indemnify other parties, provided that the party who obtains improper gains due to such errors shall remain be liable to return the improper gains.

2. Error Handling Principles

- (1) When there is an error which has not caused any loss to the parties yet, the responsible party for the error shall timely coordinate other parties to make corrections in time, and the fees incurred in the process of correction shall be borne by the responsible party for the error. If any party suffers a loss due to the responsible party for the error fails to correct the errors incurred in time, the responsible party for the error shall be liable for such loss. If the responsible party for the error has made active coordination and the party with the obligation for assistance has enough time to make a correction but fails to do so, this party shall be liable for the corresponding compensation. The responsible party for the error shall confirm the corrections with the parties involved and shall ensure the errors have been corrected;
- (2) The responsible party for the error shall be liable for the possible direct losses rather than indirect losses of the parties involved, and shall be liable to the direct parties involved of the errors rather than the third parties;

- (3) The party who obtains improper gains due to errors shall be obliged to return the improper gains. However, the responsible party for the error shall remain liable for the errors. If the party which obtains the improper gains does not return the improper gains in whole or in part and therefore incurring any loss of interests to other parties, the responsible party for the error shall compensate the loss of the Impaired Party and shall be entitled to request the party who has obtained the improper gains to return the improper gains to the extent of the compensation amount paid by the responsible party for the error. If the party who obtains the unjust gains has returned this portion of improper gains to the Impaired Party, the Impaired Party shall return to the responsible party for the error the exceeding amount which results from deducting its actual losses from the sum of the compensation amount received and the improper gains;
- (4) The errors shall be adjusted to the correct situation as if the errors had not occurred;
- (5) Where the responsible party for the error refuses to make compensation, the Fund Custodian shall claim the Fund Manager for the interests of the Fund if the loss of assets of the Fund is attributable to the Fund Manager's behaviour, or the Fund Manager shall claim the Fund Custodian for the interests of the Fund if the loss of assets of the Fund is attributable to the Fund Custodian's behaviour. Where a third party other than the Fund Manager and the Fund Custodian causes the loss of assets of the Fund and refuses to make compensation, the Fund Manager shall be liable to claim the responsible party for the error;
- (6) Where the party making errors does not compensate the Impaired Party in accordance with relevant provisions and, pursuant to Laws and Regulations, the Fund Contract or other provisions, the Fund Manager shall indemnify the Impaired Party on its own or in accordance with the judgment and arbitral award from the court, the Fund Manager is entitled to claim the responsible parties and is entitled to require such party to indemnify or compensate the Fund Manager for the fees and losses incurred thereby.
- (7) The errors shall be handled based on other principles as provided by Laws and Regulations.

3. Error Handling Procedures

After the errors are identified, the concerned parties shall handle such errors in a timely manner according to the following procedures:

- (1) Identify the reasons for the errors, list all the parties and determine which party is responsible for the error according to such reasons;
- (2) Evaluate the losses incurred by the errors according to Error Handling Principles or in the manner as agreed by the concerned parties;
- (3) The responsible party for the error shall make corrections and compensate for losses according to Error Handling Principles or in the manner as agreed by the concerned parties;

- (4) Where the trading data of the Fund at the Registrars is required to be modified according to the methods for error handling, the Registrars shall make corrections and confirm the same with the concerned parties.

4. The Principles and Methods of Handling Errors of the NAV per Fund Unit

- (1) When the errors occur within three decimal places (including the third place) in the NAV per Fund Unit, such errors shall be considered as errors in the NAV per Fund Unit. When there are errors in the NAV per Fund Unit, the Fund Manager shall make correction immediately, notify the Fund Custodian and take reasonable measures to prevent further losses. If the mistake amounts to or exceeds 0.25% of the NAV of the Fund, the Fund Manager shall notify the Fund Custodian and report to the CSRC in a timely manner. If the mistake amounts to 0.5% of the NAV per Fund Unit, the Fund Manager shall make an announcement, notify the Fund Custodian and report to the CSRC for record. When there are errors in the calculation of the net value, the Fund Manager shall be responsible to handle the mistake, and any losses thereby caused to the Unitholder or the Fund, the Fund Manager shall make compensation first and have the right to claim other concerned parties according to the error situation.
- (2) Where compensation is required for any losses of the Fund and the Unitholders caused by calculation errors of the NAV per Fund Unit, the Fund Manager and the Fund Custodian shall define the responsibilities of both parties according to the actual situation, and after confirmation, shall make compensation according to the following terms and conditions:
- ① The Fund Manager shall be responsible for the accounting of the Fund. For the accounting issues related to the Fund, if both parties cannot reach an agreement after full discussion on the principle of equality, the recommendations of the responsible party for the accounting of the Fund shall be implemented. If any loss thereby is caused to the Unitholder and the Fund, the Fund Manager shall be responsible to make compensation;
 - ② In case that the NAV per Fund Unit calculated by the Fund Manager has been announced by the Fund Custodian after its review and confirmation, and the Fund Custodian does not raise any doubts about the calculation process or request written description from the Fund Manager, if any losses of the Unitholder is caused by the errors in the NAV per unit, compensation shall be paid to the Investor or the Fund pursuant to Laws and Regulations. Among the actual compensation amount paid to the Investor or the Fund, out of 50% shall be borne by the Fund Manager and the other 50% shall be borne by the Fund Custodian;
 - ③ In the event that the Fund Manager and the Fund Custodian cannot reach an agreement on the calculation result of the NAV per Fund Unit though many times of re-calculation and checking have been made, the result calculated by the Fund Manager shall be published in order to prevent the situation that the NAV per Fund Unit cannot be published on scheduled time. If any losses are thereby caused to the Unitholder and the Fund, the Fund Manager shall be responsible to make compensation;

- ④ If any losses of the Unitholder and the Fund are incurred due to the wrong information (including but not limited to Fund Subscription or Redemption Amount, etc.) provided by the Fund Manager which results in the calculation errors of the NAV per Fund Unit the Fund Manager shall be responsible to make compensation.
- (3) Where any rounding difference in net value is incurred by different settings of the respective technical systems of the Fund Manager and the Fund Custodian, the calculation results of the Fund Manager shall prevail.
- (4) If the above contexts are otherwise provided by Laws and Regulations or regulatory authorities, such provisions shall be observed. If there are common practices in the industry, both parties shall make negotiation based on the principle of equality and the protection of the interests of the Unitholders.

(VII) Circumstances of Suspension of Valuation

1. The stock exchange relating to the Fund's investment is closed of business because of festive holidays or other reasons.
2. The Fund Manager or the Fund Custodian cannot accurately evaluate the value the fund assets due to Force Majeure or other circumstances;
3. There is a significant change in the valuation of a type of investment that accounts for a substantial proportion of the Fund, and the Fund Manager has decided to defer the valuation in order to protect the interests of the Unitholders;
4. The occurrence of an emergency may cause that the Fund Manager is unable to sell or value the fund assets;
5. The Fund Manager shall, after consulting with the Fund Custodian, suspend valuation if the specific assets account for more than 50% of the Fund's NAV on the previous valuation day;
6. Other circumstances stipulated by laws, regulations, the CSRC or the Fund Contract.

(VIII) Confirmation of Net Value of the Fund

The NAV of the Fund, which is used for the Fund's information disclosure, is calculated by the Fund Manager and reviewed by the Fund Custodian. The Fund Manager shall send the calculation result of the net asset to the Fund Custodian after the closure of trading on each Business Day. The Fund Custodian shall send the calculation result of the net asset which has been reviewed and confirmed to the Fund Manager, and the Fund Manager shall publish the net value of the Fund according to the Fund Contract and the provisions of relevant Laws and Regulations.

The NAV per Fund Unit shall be calculated with precision up to 0.001 Yuan and be rounded to the third decimal place. Whereas there are provisions otherwise provided by the State, such provisions shall be observed.

(IX) **Fund Asset Valuation during the Implementation of the Side Pocket Mechanism**

If the Fund implements the side pocket mechanism, valuation of the assets of the main pocket account and disclosure of the NAV per Fund Unit and the cumulative NAV per Fund Unit of the main pocket account should be in accordance with the provisions of this Section, and the disclosure of the NAV per Fund Unit of the side pocket account should be suspended.

(X) **Treatment of Extraordinary Circumstances**

1. Where the Fund Manager or the Fund Custodian conducts the valuation in accordance with Item (3) under Valuation Methods for Stocks, Item (7) under Valuation Methods for Bonds, Item (4) under Valuation Methods for Warrants, the valuation errors shall not be regarded as valuation mistakes in respect of the Fund assets.
2. Due to the mistakes in the data transmitted by the stock exchanges and/or the registration and clearing companies or changes in the accounting system or events of Force Majeure, although the Fund Manager and the Fund Custodian have taken necessary, appropriate and reasonable measures to check, such errors are still not found and have thus led to calculation error on the NAV of Fund Unit. The Fund Manager and the Fund Custodian may be exempted from the liability for the compensation. However, the Fund Manager and the Fund Custodian should actively take the necessary measures to eliminate the impact of such errors.

XII. FUND INCOME AND DISTRIBUTION

(I) **Composition of the Fund Profit**

The Fund profit refers to the balance of deducting the relevant fees from the sum of the interest income, the investment income, the income brought by the change in fair value and other income; the realised income of the Fund refers to the balance of deducting the income brought by the change in fair value from the fund profit.

(II) **Fund Profit Available for Distribution**

The fund profit available for distribution refers to the undistributed profit of the Fund and the realised income in the undistributed profit (whichever is lower) on the benchmark date of income distribution.

(III) **Principles of Income Distribution**

The following principles shall be followed in distribution of Fund Income:

1. Each fund unit of same class in the Fund shall have the same rights for distribution;
2. Provided that the conditions for distribution are satisfied, the Fund Income shall be distributed for at most 4 times per year, and distribution for each fund unit each time shall be no less than 30% of the profit that is available for distribution on the income distribution benchmark date. If the Fund Contract is effective for less than three months, income distribution may not be carried out. The fund profit available for distribution

refers to, in the balance sheet of the Fund, the undistributed profit of the Fund or the realised gain in the undistributed profit (whichever is lower) on the benchmark date of income distribution.

3. The value of subtracting the distribution amount of Fund Income per fund unit of a class from the NAV per fund unit of the same class on the benchmark date shall not be less than its par value.
4. There are two distribution methods for Fund Income: cash dividends and dividend reinvestment, and the Investors may choose to receive cash dividends or automatically convert cash dividends into the fund units for reinvestment; if the Investors do not make a choice, the Fund will distribute cash dividends by default.
5. Where dividend distribution of the Fund is carried out, the distribution date shall not be over 15 Business Days from the benchmark date of income distribution (namely the deadline for calculating the profit available for distribution);
6. Relevant laws and regulations or rules of the supervisory authority which provide otherwise shall prevail.

In the circumstances that the interests of investors are not affected, the Fund Manager can adjust the above principles of Fund Income distribution if permissible under Laws and Regulations, and notice of the adjustment should be issued on Designated Media and the website of the Fund Manager before the adjustment is implemented.

(IV) Distribution Plan of Fund Income

The distribution plan of fund income shall include information on the amount of the distributable profits as of the benchmark date of income distribution of the Fund, the beneficiaries to such distribution, distribution time, distribution amount and proportion, and distribution methods.

(V) Determination, Announcement and Implementation of Income Distribution Plan

1. The Fund Income distribution plan shall be drafted by the Fund Manager, verified and confirmed by the Fund Custodian, and then announced by the Fund Manager in accordance with the laws and regulations.
2. After the distribution plan is announced (according to the provisions of specific plans), the Fund Manager shall send a payment order of cash dividends to the Fund Custodian, and the Fund Custodian shall pay for the dividends in a timely manner according to the order of the Fund Manager.
3. Relevant laws and regulations or rules of the supervisory authority which provide otherwise shall prevail.

(VI) Fees arising from Fund Income distribution

The transfer fees or other service fees charged by the bank and incurred in the income distribution shall be borne by the Investors. Where the cash dividends received by an Investor is lower than a certain amount and is insufficient to pay for the bank transfer fees or other service fees, the Registrar may automatically convert such cash dividends of the Unitholders into fund units. Calculation method of dividend re-investment shall be carried out in accordance with the *Business Rules*.

(VII) Income Distribution during the Implementation of the Side Pocket Mechanism

If the Fund implements the side pocket mechanism, the side pocket account does not make income distribution. Please refer to the provisions of the “Side Pocket Mechanism” chapter of this Prospectus for details.

XIII. EXPENSES AND TAXES OF THE FUND

- (I) Types of expenses of the Fund
- (1) Management fees payable to the Fund Manager;
 - (2) Custody fees payable to the Fund Custodian;
 - (3) Information disclosure expenses payable upon the Fund Contract takes effect, unless otherwise stipulated by the laws, regulations or the CSRC;
 - (4) Expenses of the Unitholders' meetings;
 - (5) Accountant fees and legal fees related to the Fund upon the Fund Contract takes effect;
 - (6) Expenses arising from trading of securities;
 - (7) Banking charges for transfer and payment of the fund assets;
 - (8) Other fees payable out of the assets of the Fund according to the relevant provisions of the State;
- (II) The aforesaid expenses of the Fund shall be determined by the Fund Manager at the fair market price to the extent as stipulated by the Laws and Regulations. If the provisions are otherwise stipulated by the Laws and Regulations and the Fund Contract, such provisions shall be observed.
- (III) Accrual methods, accrual standards, and payment methods of the expenses of the Fund

1. Management fees payable to the Fund Manager

In general, the management fee shall be accrued at the annual rate of the NAV of the Fund on the preceding day. The calculation method is as follows:

$H = E \times \text{annual management fee rate} \div \text{number of days in the current year}$, where the annual management fee rate of the Fund is 1.5%

H is the management fee accrued every day

E is the NAV of the Fund on the preceding day

The management fee is accrued daily and is payable monthly. The Fund Manager will send the payment order for the Fund's management fee to the Fund Custodian, and the Fund Custodian will check and make a lump-sum payment to the Fund Manager from the fund assets within 3 Business Days from the first day of next month. In case of statutory festive holidays or a day off, the date of payment shall be postponed.

2. Custody fees payable to the Fund Custodian

In general, the custody fee shall be accrued at the annual rate of the NAV of the Fund on the preceding day. The calculation method is as follows:

$H = E \times \text{annual custody fee rate} \div \text{number of days in the current year}$, where the annual custody fee rate of the Fund is 0.25%

H is the custody fee accrued every day

E is the NAV of the Fund on the preceding day

The custody fee is accrued daily and is payable monthly. The Fund Manager will send the payment order for the Fund's custody fee to the Fund Custodian, and the Fund Custodian will check and make a lump-sum payment to the Fund Custodian from the fund assets within 3 Business Days from the first day of next month. In case of statutory festive holidays or a day off, the date of payment shall be postponed.

- (3) The above-mentioned fees in the expenses described in (3)-(7) of (I) shall be paid by the Fund Custodian pursuant to other relevant Laws and Regulations and the provisions in corresponding agreements, and such fees shall be paid as out-of-pocket expenses and shall be included or apportioned in the current expenses of the Fund.

(IV) Items not included in the expenses of the Fund

The expenses or the losses of the fund assets incurred due to the Fund Manager or the Fund Custodian fails to perform or fails to fully perform their obligations, and the expenses incurred when dealing with the matters not related to the Fund's operations, shall not be included in the expenses of by the Fund. Information disclosure expenses, legal fees, accounting fees and other expenses incurred during the Initial Offer Period of the Fund shall not be paid out of the assets of the Fund.

- (V) The Fund Manager and Fund Custodian may adjust the fund management fee rate and the fund custody fee rate according to the development conditions of the Fund. The Unitholders' meeting is not required to convene for the purpose of reducing the fund management fee rate and the fund custody fee rate. The Fund Manager shall make an announcement on the Designated Media and the website of the Fund Manager no later than the implementation date of new fee rate according to the relevant provisions.

(VI) Fund Expenses during the Implementation of the Side Pocket Mechanism

If the Fund implements the side pocket mechanism, the fees related to the side pocket account can be paid out of the side pocket account, but only after the realisation of the assets of the side pocket account. The relevant fees can be charged or reduced as appropriate, but management fees shall not be charged. Please refer to the provisions of the "Side Pocket Mechanism" chapter of this Prospectus or related announcements for details.

(VII) Taxes of the Fund

The Fund and the Unitholders shall perform the tax obligation pursuant to the Laws and Regulations stipulated by the State.

XIV. ACCOUNTING AND AUDITING OF THE FUND

(I) Accounting Policies of the Fund

1. The Fund Manager shall be responsible for the accounting issues of the Fund;
2. The fiscal year of the Fund commences on January 1 and ends on December 31 of each calendar year. If in the fiscal year during which the Fund Contract commences, the Fund Contract is effective for less than three months, such fiscal year may be incorporated into the next fiscal year.
3. The Fund adopts RMB as the base currency of bookkeeping and Yuan as the bookkeeping unit;
4. The accounting system of the Fund shall comply with the relevant accounting standards of the State;
5. The Fund shall keep its own accounting and auditing independently;
6. The Fund Manager and the Fund Custodian shall keep complete accounting records and evidence respectively, and carry out the day-to-day accounting and prepare the financial statements of the Fund pursuant to the relevant provisions;
7. The Fund Custodian shall regularly check the Fund's accounting and financial statement preparation with the Fund Manager and provide written confirmation.

(II) Auditing of the Fund

1. The Fund Manager shall engage an accounting firm and its Certified Public Accountants qualified for auditing the securities and futures business to audit the annual financial statements and other matters of the Fund. The accounting firm and its Certified Public Accountants shall be independent of the Fund Manager and the Fund Custodian.
2. The accounting firm shall seek the prior approval of the Fund Manager and the Fund Custodian when replacing the Certified Public Accountants for the Fund.
3. If the Fund Manager (or the Fund Custodian) deems there are sufficient reasons to replace the accounting firm, replacement may be made upon the consent of the Fund Custodian (or the Fund Manager). The Fund Manager shall make an announcement on the Designated Media pursuant to the relevant provisions of the Rules.

XV. INFORMATION DISCLOSURE OF THE FUND

- (I) Information disclosure of the Fund shall be made in accordance with the *Funds Law, Measures on Operation, Measures on Information Disclosure*, the Fund Contract and other relevant regulations. In the event of changes in information disclosure requirements stipulated in relevant laws and regulations, the latest regulations shall apply to the Fund.

- (II) Information disclosure obligors

Information disclosure obligors of the Fund include the Fund Manager, Fund Custodian, Unitholders who convene the Unitholders' meetings and its permanent organization (if any), and other natural persons, legal-person organizations and non-legal-person organizations stipulated by the laws, regulations and CSRC.

Focusing on the protection of Unitholders' interests as their starting point, information disclosure obligors of the Fund shall disclose information about the Fund in compliance with the laws, regulations and rules set out by the CSRC, and guarantee the authenticity, accuracy, completeness, timeliness, conciseness and accessibility of the information disclosed.

The information disclosure obligors of the Fund shall, within the time prescribed by the CSRC, disclose the Fund information required to be disclosed via the CSRC-designated national newspapers (hereinafter referred to as the "Designated Newspapers") and websites (hereinafter referred to as the "Designated Websites", which includes websites of the Fund Manager and Fund Custodian and the CSRC's electronic fund information disclosure website), and shall ensure that Investors can access or copy the publicly disclosed information within the time and in the ways agreed in the Fund Contract.

- (III) The information disclosure obligors of the Fund undertake to avoid the following behaviours in the fund information disclosed to the public:

1. To falsely record, or misleadingly state or materially omit the fund information;
2. To predict the performance of securities investment;
3. To illegally promise income or assume losses.
4. To slander other Fund Managers, Fund Custodians or institutions offering the fund units;
5. To contain any congratulatory, complimentary or recommendatory words of any natural person, legal-person organizations and non-legal-person organizations;
6. Other conducts forbidden by the CSRC.

- (IV) The information of the Fund to be disclosed to the public shall be written in Chinese. If there is a foreign-language version at the same time, the information disclosure obligors of the Fund shall guarantee the consistency of the contents of the different versions. In case of any discrepancy between the different versions, the Chinese version shall prevail.

The Arabic numerals shall be used in the fund information disclosed to the public. Unless otherwise specified, the unit of currency shall be in RMB.

(V) Public disclosure of the fund information

The information on the Fund required to be disclosed includes:

1. Prospectus, Fund Product Key Facts Statement, Fund Contract, Custody Agreement and Announcement on Fund Unit Offering

- (1) The Prospectus should maximise the disclosure of all the matters affecting the decision of the investors, including the description of the fund application, subscription and redemption arrangements, investments of the Fund, fund product features, risk disclosure, information disclosure and service for the Unitholders, etc.

The Fund Product Key Facts Statement is a summary of the Fund Prospectus, which provides investors with a brief outline of the Fund. The Fund Manager shall compile, disclose and update the Fund Product Key Facts Statement in accordance with the laws, regulations and rules set by the CSRC.

In the event of a significant change in information contained in the Fund Prospectus or the Fund Product Key Facts Statement after the Fund Contract comes into effect, the Fund Manager shall update the Prospectus and Fund Product Key Facts Statement accordingly and publish them on the Designated Websites within three Business Days, and the Fund Product Key Facts Statement shall also be published on the websites or at the sales outlets of the Fund Sales Institutions; in the event of other changes in information contained in the Fund Prospectus or the Fund Product Key Facts Statement, the Fund Manager shall update the Prospectus and the Fund Product Key Facts Statement at least once every year.

Upon termination of operation of the Fund, the Fund Manager may stop updating the Fund Prospectus and the Fund Product Key Facts Statement.

Requirements concerning the compilation, disclosure and update of the Fund Product Key Facts Statement shall come into force on the day prescribed by the CSRC.

- (2) The Fund Manager shall prepare a Fund Unit offering announcement regarding specific matters associated with the offering of Fund Units.
- (3) The Fund Contract is a legal document for defining the rights and obligations of the parties of the Contract, the rules and detailed procedures for the Unitholders' meeting and the characteristics of the fund products and other issues involving the major interests of the Fund Investors.
- (4) The Custody Agreement is a legal document for defining the rights and obligations relationship of the Fund Custodian and the Fund Manager in the fund assets custody and fund operation supervision activities.

2. The Announcement of the Effectiveness of the Fund Contract.

The Fund Manager shall publish an announcement of the effectiveness of the Fund Contract in the Designated Newspapers and on the Designated Websites on the day after the Fund Contract comes into effect.

3. Announcement of Commencement of Subscription and Redemption of the Fund

The Fund Manager shall make an announcement in the Designated Newspapers and on the Designated Website prior to the commencement date of Subscription and Redemption.

4. Announcements of the net asset value information of the Fund

After the Fund Contract comes into effect and before the processing of the Subscription or Redemption of Fund units commences, the Fund Manager shall announce the NAV per Fund Unit and the cumulative NAV per Fund Unit on the Designated Websites at least once every week.

After the processing of the Subscription or Redemption of Fund units commences, the Fund Manager shall disclose the NAV per Fund Unit and the cumulative NAV per Fund Unit for each Dealing Day on the Designated Websites as well as on the websites of subscription and redemption agencies or at their sales outlets no later than the following day of every Dealing Day.

The Fund Manager shall disclose the NAV per Fund Unit and the cumulative NAV per Fund Unit as of the last day of every half year and full year on the Designated Websites no later than the day following the last day of every half year and full year.

5. Regular reports of the Fund include annual reports, interim reports and quarterly reports (including quarterly reports on the asset portfolios)

The Fund Manager shall complete the annual report of the Fund within three months after the last day of each year, publish the annual report on the Designated Websites, and publish a reminder announcement regarding the annual report in the Designated Newspapers. Financial accounting reports in the Fund's annual report shall be audited by an accounting firm qualified for operating securities and futures-related businesses.

The Fund Manager shall complete the interim report of the Fund within two months after the last day of the first half of each year, publish the main body of the interim report on the Designated Websites, and publish a reminder announcement regarding the interim report in the Designated Newspapers.

The Fund Manager shall complete the quarterly report of the Fund within 15 Business Days after the last day of each quarter, publish it on the Designated Websites, and publish a reminder announcement regarding the quarterly report in the Designated Newspapers.

If the Fund Contract has been in effect for less than two months, the Fund Manager may choose not to prepare the quarterly report, interim report or annual report for the period.

The Fund Manager shall disclose information about the Fund's asset portfolios and liquidity risk analysis of such portfolios in the Fund's annual and interim reports.

If fund units held by a single investor reach or exceed 20% of the total number of fund units, the Fund Manager, in order to protect the rights and interests of other investors, shall specify at least the investor's category, numbers of his/her/its holdings and his/her/its holding as a percentage of the total number of fund units at the end of the reporting period, changes in his/her/its holding during the reporting period, and inherent risks of the Fund in the "Other Important Information Affecting Investors' Decisions" section of the periodic report of the Fund, unless otherwise stipulated by the CSRC.

6. Ad-hoc Report

In case of any major event of the Fund, the information disclosure obligors concerned shall prepare and publish an ad-hoc report in the Designated Newspapers and on the Designated Websites in accordance with the relevant provisions.

The aforesaid major event refers to the events which may significantly influence the interests of the Unitholders or the price of the fund units, including but not limited to:

- (1) Convention of Unitholders' meetings and matters determined at the meetings;
- (2) Termination of the Fund Contract and liquidation of the Fund;
- (3) Change in the ways of operation of the Fund and merger of funds;
- (4) Replacement of the Fund Manager or the Fund Custodian;
- (5) The Fund Manager entrusts a fund service agency to process registration, accounting and valuation of Fund Units, or the Fund Custodian entrusts a fund service agency to process Fund accounting, valuation and verification;
- (6) Change in the legal name or domicile of the Fund Manager or the Fund Custodian;
- (7) The Fund management company changes a shareholder with a shareholding of more than 5%, or changes its actual controller;
- (8) Extension of the Fund Offering Period or early termination of the Fund Offering;
- (9) Change of a senior manager or portfolio manager of the Fund Manager, or of the head of the dedicated fund custody department of the Fund Custodian;
- (10) Replacement of more than 50% of the Fund Manager's directors within the most recent 12 months;
- (11) Replacement of more than 30% of the key business personnel of the Fund Manager or the dedicated fund custody department of the Fund Custodian within the most recent 12 months;
- (12) Litigation or arbitration involving the fund management business, the Fund's assets or custody operations;

- (13) Major administrative penalties or criminal penalties imposed on the Fund Manager or its senior managers or portfolio managers due to activities related to fund management operations, or major administrative penalties or criminal penalties imposed on the Fund Custodian or head of its dedicated fund custody department due to activities related to fund custody operations;
- (14) The Fund Manager uses the Fund's assets to buy or sell securities issued or underwritten during the underwriting period by the Fund Manager, the Fund Custodian or its controlling shareholder(s), actual controller(s) or companies with a significant interest in it, or engages in other forms of material related-party transactions, unless otherwise stipulated by the CSRC;
- (15) Distribution of the Fund Income;
- (16) Any change in the accrual standard, accrual method and rate of the management fee, custody fee, subscription fee, redemption fee and other fees of the Fund;
- (17) Valuation errors in respect of the NAV per Fund Unit which are no less than 0.5% of the NAV per Fund Unit;
- (18) Replacement of the accounting firm engaged by the Fund;
- (19) Replacement of the Fund's Registrar;
- (20) Commencement of Subscription and Redemption of the Fund;
- (21) The Fund encounters Substantial Redemptions and delays the relevant handling;
- (22) The Fund has continuously encountered Substantial Redemptions and suspended the acceptance of Redemption applications or delayed the payment of Redemption amount;
- (23) The Fund suspends the acceptance of subscription or redemption applications, or resumes accepting subscription or redemption applications;
- (24) Adjustments are made to fund unit subscription and/or redemption related matters, or a material matter arises that may affect fund unit redemption by investors;
- (25) Launch of new business or services by the Fund;
- (26) Other matters that the Fund's information disclosure obligors believe may materially affect the rights and interests of the Fund's Unitholders or the prices of the Fund Units, or other matters prescribed by the CSRC.

7. Clarification Announcements

Within the Duration of the Fund Contract, if any information on any public media or circulating in the market may have misleading effect on the price of the fund units or result in considerable fluctuation and may hurt the interests of Unitholders, the relevant information disclosure obligor shall immediately clarify such information publicly and report such information to the CSRC.

8. Resolutions of the Unitholders' meeting

The matters to be decided at the Unitholders' meeting shall be reported to the CSRC in accordance with the laws for approval or filing, and make an announcement. The convener shall announce the convening time, convening form, matters to be deliberated, proceeding and voting of the Unitholders' meeting at least 30 days in advance.

The Unitholders may convene the Unitholders' meeting pursuant to the law by themselves, in case that the Fund Manager and the Fund Custodian do not perform the obligations of the information disclosure pursuant to the law, the convener shall perform the obligations of the relevant information disclosure.

9. Liquidation Report

In case of the termination of the Fund Contract, the Fund Manager shall organize a fund asset liquidation team to liquidate the fund's assets and prepare a liquidation report. The fund asset liquidation team shall publish the liquidation report on the Designated Websites, and publish a reminder announcement on the liquidation report in the Designated Newspapers.

10. Information Disclosure during the Implementation of the Side Pocket Mechanism

If the Fund implements the side pocket mechanism, the relevant information disclosure obligors shall disclose information in accordance with laws and regulations, the Fund Contract, and the Prospectus. Please refer to the provisions of the "Side Pocket Mechanism" chapter of this Prospectus for details.

11. Other Information Required by the CSRC.

(VI) Information disclosure management

The Fund Manager and Fund Custodian shall establish a sound information disclosure management system, and designate a dedicated department and a senior manager to be responsible for the management of information disclosure affairs.

The Fund Manager, Fund Custodian and relevant practitioners shall not divulge information of the Fund that has not been publicly disclosed.

When disclosing the fund information to the public, the fund information disclosure obligors shall comply with the relevant CSRC rules on fund information disclosure contents and formats as well as other relevant rules.

The Fund Custodian shall review and check, pursuant to the relevant laws, regulations, CSRC rules and the Fund Contract, relevant fund information for public disclosure prepared by the Fund Manager, including NAV of the Fund, NAV per Fund Unit, Subscription and Redemption prices per Fund Unit, the Fund's regular reports, the updated Prospectus, the Fund Product Key Facts Statement and the Fund's liquidation report, and confirm with the Fund Manager in writing or electronically.

The Fund Manager and Fund Custodian shall choose a newspaper from the Designated Newspapers for information disclosure – only one newspaper needs to be selected for a fund.

The Fund Manager and Fund Custodian shall submit the Fund's information to be disclosed to the CSRC's electronic fund information disclosure website, and guarantee the authenticity, accuracy, completeness and timeliness of the information submitted.

To strengthen investor protection and improve the quality of information disclosure services, starting from the day prescribed by the CSRC, the Fund Manager shall provide investors with information that materially affects their investment decisions in a timely manner pursuant to the CSRC's provisions.

In addition to disclosing information in accordance with the laws and regulations, the Fund Manager and Fund Custodian may work to improve the quality of information disclosure in a bid to provide useful information for investors to assist their decision-making, in the condition that investors are treated fairly, and such information will not mislead investors, and the Fund's normal investment will not be affected. The specific requirements shall conform to the relevant provisions of the CSRC. Expenses (if any) incurred as a result of such self-initiated information disclosure shall not be disbursed from the Fund's assets.

(VII) Availability and inspection of information disclosure documents

After the release of information that must be disclosed according to the laws, the Fund Manager and Fund Custodian shall, in accordance with the relevant laws and regulations, display the information at their domiciles so that the public can inspect and copy.

After paying the handling charge, Investors may obtain a duplicate or a copy of the above documents within a reasonable time.

XVI. SIDE POCKET MECHANISM

(I) Implementation conditions, implementation procedures, and scope of specific assets of the side pocket mechanism

When the Fund holds specific assets and there are, or there potentially will be substantive redemption applications, in accordance with the principle of protecting the interests of Unitholders to the greatest extent, the Fund Manager can activate the side pocket mechanism in accordance with laws and regulations and as agreed in the Fund Contract without convening a Unitholders' Meeting for deliberation after negotiation and agreement with the Fund Custodian and consultation with the Accounting Firm. The Fund Manager shall report to the China Securities Regulatory Commission and the dispatched office of the China Securities Regulatory Commission where the company is located on the day when the side pocket mechanism is activated.

Specific assets include: (1) Assets that have no reference active market prices and the use of valuation techniques still leads to significant uncertainty in their fair value; (2) Assets that are measured at amortized cost and the provision for asset impairment still leads to major uncertainties in the value of assets; and (3) Other assets with major uncertainties in the value of assets.

(II) Fund operation arrangements during the implementation of the side pocket mechanism

1. Fund Unit Subscription and Redemption

(1) Side pocket account

During the implementation of the side pocket mechanism, the Fund Manager will not process any subscription, redemption, or conversion applications of the side pocket account. Any subscription, redemption, or conversion applications of the Fund Units of the side pocket account by any Unitholder will be rejected.

(2) Main pocket account

The Fund Manager will ensure that the Unitholders of the main pocket account have the redemption rights as stipulated in the Fund Contract in accordance with the law, and reasonably determine the matters in relation to subscription based on the operation of the main pocket account. The specific matters will be stipulated in the relevant announcements by the Fund Manager on the occasion.

(3) The Fund Manager, after consulting with the Fund Custodian, shall suspend the fund valuation and suspend the acceptance of any subscription or redemption applications or defer payment of any redemption of the Fund if the specific assets account for more than 50% of the Fund's NAV on the previous valuation day.

For any redemption applications received on the activation day of the side pocket mechanism, the Fund Manager only processes the redemption applications for the main pocket account and pays the redemption amount. Any subscription applications received on the activation day of the side pocket mechanism are deemed as subscription applications submitted by the Investors to the main pocket account after the activation of the side pocket mechanism.

2. Registration of Fund Units

During the implementation of the side pocket mechanism, the Fund Manager shall implement independent management of the units of the side pocket account. The main pocket account shall continue to use the original fund code, and the side pocket account shall use an independent fund code. The name of the side pocket account units shall be set in the format of "Fund abbreviation + side pocket identification S + side pocket account establishment date," and a capital letter M will be added to the name of the main pocket account units as a suffix. The M mark in the name of the main pocket account units will be removed once all side pocket accounts of the Fund are cancelled.

On the activation day of the side pocket mechanism, the Fund Manager and the fund registration agency shall confirm the register of Unitholders of the corresponding side pocket account and their units based on the units of original accounts of the Fund Unitholders.

The Fund Manager will de-register the side pocket account once the side pocket account assets are fully liquidated.

3. Fund Investment and Performance

During the implementation of the side pocket mechanism, the investment operation indicators and the fund performance indicators of the Fund shall be based on the assets of the main pocket account. The Fund Manager shall not conduct any investment operations other than the disposal of the specific assets in the side pocket account.

When presenting the fund performance, the Fund Manager and relevant service agencies shall fully explain the foregoing circumstances to avoid misunderstanding by Investors.

The Fund Manager shall, in principle, complete adjustments to the portfolio of the main pocket account within 20 trading days after the activation of the side pocket mechanism, except for circumstances specified by the China Securities Regulatory Commission due to asset liquidity restrictions.

4. Valuation of Fund Assets

On the activation day of the side pocket mechanism, the Fund Manager will divide the assets of the main pocket account and the side pocket account based on the net assets of the Fund determined after the end-of-day valuation is completed, and the balance of the asset accounts and the balance of liability accounts other than taxes payable account explicitly related to the specific assets are included in the side pocket account. The Fund Manager shall treat the specific assets as a whole, and shall not just separate the parts whose fair value cannot be determined.

During the implementation of the side pocket mechanism, the Fund Manager will set up a separate set of books for the side pocket account and keep independent accounts. If the Fund has multiple side pocket accounts at the same time, the side pocket accounts shall keep their independent accounts. The accounting of the side pocket account shall comply with the relevant requirements of the Accounting Standards for Business Enterprises.

5. Fund Expenses

During the implementation of the side pocket mechanism, no management fee will be charged for the side pocket account assets. Any consulting and auditing expenses incurred due to the activation of the side pocket mechanism shall be borne by the Fund Manager.

The Fund Manager may deduct the expenses related to the disposal of the side pocket account assets from the side pocket account after the realisation of the side pocket account assets.

6. Fund Income and Distribution

During the implementation of the side pocket mechanism, the Fund Manager can distribute the income of the units of the main pocket account if the units of the main pocket account meet the income distribution conditions stipulated in the Fund Contract. There will be no income distribution of the side pocket account.

7. Fund Information Disclosure

(1) Information of the NAV of the Fund

During the implementation of the side pocket mechanism, the Fund Manager shall suspend the disclosure of the NAV per Fund Unit and the cumulative NAV per Fund Unit of the side pocket account.

(2) Regular reports

During the implementation of the side pocket mechanism, the financial statements in the Fund's regular reports are prepared based only on the main pocket account. Information about the side pocket account is separately disclosed in the regular reports, including but not limited to:

- 1) Basic information such as the fund code, fund name, and date of establishment of the side pocket account;
- 2) The initial assets and initial liabilities of the side pocket account;
- 3) Basic information such as the name, code, and issuer of the specific assets;
- 4) The progress of the disposal of the specific assets, the expenses related to the disposal of the specific assets, and other information related to the status of the specific assets during the reporting period;
- 5) Depending on the progress of the disposal of the specific assets, the net realisable value or the reference range of the net value of the specific assets may be disclosed. Such net value or net value range does not represent the final realisable price of the specific assets, and does not represent any commitment of the Fund Manager to the final realisable price of the specific assets;
- 6) Warnings of other situations and related risks that may have a significant impact on the interests of Investors.

(3) Ad hoc reports

The Fund Manager shall make ad hoc announcements in a timely manner in case of activation of the side pocket mechanism, disposal of specific assets, termination of the side pocket mechanism, or other matters that may have a material impact on the interests of Investors.

The content of the ad hoc announcement on the activation of the side pocket mechanism shall include important information such as the reasons and procedures for the activation, the liquidity and valuation of the specific assets, the impact on investors' subscription and redemption, and risk warnings.

The content of the ad hoc announcement on the disposal of specific assets shall include important information such as the price and time of disposal of the specific assets, the payment to the unitholders of the side pocket account shares, and the related expenses incurred. During the implementation of the side pocket mechanism, if the side pocket account assets cannot be disposed of and realised in one time, the Fund Manager shall issue an ad hoc announcement in a timely manner after each disposal and realisation.

8. Disposal and Liquidation of Specific Assets

The Fund Manager will develop a liquidation plan in accordance with the principle of maximizing the interests of Unitholders to realise the disposal of the side pocket account assets. Regardless of whether the assets of the side pocket account have been fully realised, the Fund Manager shall promptly pay the corresponding amount of the realised part to the Unitholders of the side pocket account.

9. Audit of the Side Pocket Account

The Fund Manager shall promptly engage an accounting firm that meets the requirements of the *Securities Law* to conduct audits and disclose special audit opinions upon the activation and the termination of the side pocket mechanism, as follows:

The Fund Manager shall obtain professional opinions from an accounting firm that meets the requirements of the *Securities Law* on matters related to the identification of specific assets upon the activation of the side pocket mechanism.

The Fund Manager shall, within five Business Days after the activation of the side pocket mechanism, engage an accounting firm that provides opinions on the activation day of the side pocket mechanism to issue a special audit opinion on the specific assets held by the Fund on the activation day of the side pocket mechanism. The content shall include the initial assets, units, net assets, and other information on the side pocket account.

When the accounting firm audits the annual report of the Fund, it shall perform appropriate procedures and issue an audit opinion on the accounting and the disclosure in the annual report regarding the side pocket mechanism during the period of the operation of the Fund's side pocket mechanism.

Once the side pocket account assets are fully realised, the Fund Manager shall refer to the relevant requirements of the fund liquidation report and engage an accounting firm that meets the requirements of the *Securities Law* to audit the side pocket account and disclose special audit opinions.

- (III) For any part of the relevant provisions of this Section on the side pocket mechanism that directly refers to laws, regulations, or regulatory rules, the Fund Manager may modify and adjust the content of this Section directly upon negotiation and agreement with the Fund Custodian and the performance of proper procedures in case of cancellation or change of relevant content as a result of future amendments to laws, regulations, or regulatory rules without the need to convene a Fund Unitholders' Meeting, provided that there is no substantial adverse effect on the interests of the Unitholders.

XVII. RISK DISCLOSURES

(I) Risks of investing in the Fund

1. Market risks

The Fund primarily invests in securities market. The fluctuations in the market prices of securities are brought by various factors, such as economic factors, political factors, investors' psychology and trading system, etc., resulting in changes in fund income level and bringing in risks. The main potential risk factors include:

- 1) Policy risk. Risk arises when there are changes in the national macroeconomic policies, such as financial policies, monetary policies, and industrial policies, local development policies, which may cause the fluctuations in prices of securities market and affect the return on the Fund.
- 2) Economic cycle risk. The securities market is a barometer of the national economy. Risk arises when the income level of the Fund's investment changes along with cyclical changes in the income level of the securities market sequential to cyclic changes in the economy.
- 3) Interest rate risk. Interest rate fluctuations in the financial market may result in changes in prices and yields in the securities market. The interest rate directly affects the prices and yields of bonds, and thus has an influence on financing costs and profits of enterprises. The Fund invests in bonds and stocks, and the return thereof may be subject to changes in interest rate.
- 4) Operational risk of listed companies. The operational conditions of listed companies are affected by various factors, such as management capability, industry competitions, market prospects, technology updates, new product research and development, etc., which may result in a changes in the company's profit. If the listed companies invested in by the Fund are operated improperly, such companies' share price may drop or the distributable profit may decrease, resulting in a decrease in the return on the Fund's investment. Although the Fund may decentralise this non-systematic risk through investment diversification, this risk cannot be fully evaded.
- 5) Purchasing power risk. The income of a Unitholder will be allocated mainly through cash. The purchasing power of cash may decline due to the factor of inflation, and this would therefore reduce the actual return of the Fund.

2. Management risk

- 1) In the course of the management operation of the Fund, the Fund Manager's knowledge, experience, judgment, decision-making, skills, etc., shall have effects on the possession of his/her information, and the judgment on economic conditions and securities prices, and thus the income level of the Fund.
- 2) Changes in factors such as management manner and techniques of the Fund Manager and the Fund Custodian may also affect the income level of the Fund.

3. Liquidity risk

The liquidity risk of the Fund mainly lies in two aspects: Firstly, when the Fund Manager builds a position or makes portfolio adjustment for realisation of investment income, the stocks or the bonds may not be purchased or sold at the expected prices due to the relative low liquidity of individual stock markets. Secondly, for satisfying the redemptions from investors, when the liquidity of an individual stock is lower, the Fund Manager would be forced to sell a substantial amount of stocks or bonds at inappropriate prices. Both factors may cause adverse impacts on the NAV of the Fund.

The Fund Manager will take into full consideration of the liquidity risks faced by the Fund and always be concerned about and take effective measures to manage the liquidity of the Fund diligently, in order to ensure that all investors will be treated in a fair manner and warrant that the Fund's trading arrangements are suitable for its investment strategy and the underlying assets invested throughout the duration of the product.

The Fund Manager has established an overall framework for liquidity risk management and identified various liquidity risk management tools to meet the specific requirements of different funds or strategies. The Fund Manager will take the greatest efforts to reduce the impact of liquidity risks, and the above-mentioned tools are designed to achieve this purpose. Nevertheless, liquidity risks still could not be completely eliminated.

4. Risks of activating the side pocket mechanism

In case the Fund activates the side pocket mechanism, during the implementation of the side pocket mechanism, the disclosure of the NAV per Fund Unit of the side pocket account will be suspended, and no subscriptions, redemptions, or conversions will be allowed. Due to the uncertainty of the realisation time of the specific assets, the final realisation price is also uncertain and may be significantly lower than the valuation of the specific assets when the side pocket mechanism is activated, and Unitholders of the Fund may face losses as a result.

5. Specific risks

The Fund strives for grasping the economic restructuring and industrial upgrading trends and selects stocks of high-quality listed companies in emerging industries and stocks of listed companies with new growth impetus in traditional industries. Therefore, the specific risks of the Fund are mainly from two aspects: Firstly, the deviation of understanding in the economic restructuring and industrial upgrading results in the inaccurate judgment on industries and individual stocks. Secondly, the lack of in-depth studies on the fundamentals of listed companies may lead to selection errors of individual stocks.

6. Operational or technical risk

In the operation process of various sectors of business by the related parties, any operation failures or violations of operation rules due to defective internal control or man-induced factors may cause risks, such as transactions beyond its authority and in violation of rules, frauds of accounting department, transaction errors and IT system failures.

In the course of various transactions or back-office operations of the open-end funds, the normal operation of transactions and the benefits of Unitholders may be affected by any failures or errors of technical systems. This kind of technical risk may arise from the management companies, Registrars, Sales Agencies, stock exchanges, and the securities registration and clearing institutions of the Fund.

7. Compliance risks

Compliance risks refer to the risks of breaching the national laws and regulations during the course of management or operation of the Fund, or the risks of the investments of the Fund violating the regulations and the relevant provisions of the Fund Contract.

8. Risks associated with investing in STAR Market-listed stocks include:

(1) Liquidity risk for STAR Market-listed stocks

The STAR Market has high investor eligibility barriers, and individual investors must meet certain conditions to be allowed to invest in STAR Market-listed stocks. Therefore, the STAR Market may have limited liquidity relative to other stock market boards. If homogeneous expectations are formed among institutional investors, there may be a risk that stocks cannot be transacted.

(2) The risk of companies listed on the STAR Market being delisted

The STAR Market has relatively strict criteria for stock delisting, and temporary listing suspension, listing resumption and re-listing systems are not adopted for the STAR Market, meaning that companies listed on the STAR Market have greater exposure to delisting risk, which may adversely affect the Fund.

(3) Investment concentration risk

As a newly established board, the STAR Market will initially offer a relatively limited number of investment targets, and investors could easily end up concentrating on a small number of stocks. Such limited focus in the market would pose a risk of investment concentration.

(4) Market risk

Most companies listed on the STAR Market specialize in high- and new-tech businesses and emerging strategic industries, such as next-generation information technology, high-end equipment, new materials, new energy, energy conservation and environmental protection and biomedicine. Most of these companies are startups with uncertainties in earnings, cash flow and valuation prospects. Therefore, there are differences between investments in the STAR Market and investments in the traditional secondary market. It is generally more difficult to invest in the STAR Market, and STAR Market-listed stocks have greater exposure to market risks.

Price fluctuation limits do not apply to STAR Market-traded stocks during the first five days after listing, and a daily price fluctuation limit of 20% applies from the sixth day onward. Relative to other boards, greater share price fluctuations are allowed on the STAR Market, and market risks increase accordingly.

(5) Systematic risk

All listed companies on the STAR Market are innovative technology enterprises that have gained a relatively high level of market recognition. They tend to have similar operating and profit models, so there is a relatively high degree of correlation among STAR Market-listed stocks. A market downturn will lead to significant systematic risks.

(6) Stock-price fluctuation risk

A market-oriented approach is adopted for determining the prices, issue sizes and tempo of initial public offerings (IPOs) on the STAR Market. Institutional investors will play a dominant role in quotation, pricing and placement activities. The quotation-based pricing model is adopted for all stock offerings on the STAR Market, and quotations will only be limited to seven types of professional institutional investors including securities companies. Individual investors cannot be directly involved in the issue-pricing process. Furthermore, given the typical characteristics of STAR Market-listed companies — such as a high degree of technological innovation, uncertain performance prospects, huge earnings fluctuations and high risk — only a limited number of comparable companies will be available in the market. Therefore, traditional valuation methods may not apply, and pricing will be more difficult. After listing, STAR Market-listed stocks may face the risk of price fluctuation.

(7) Policy risk

Any change in the level of support offered by the state for, and the level of importance that it attaches to, the high- and new-tech industries will have a major impact on listed companies on the STAR Market. Changes in the global economic situation will also have policy-level implications for emerging strategic industries and STAR Market-listed stocks.

9. Risks of investing in Chinese depositary receipts

The Fund's investment scope includes Chinese depositary receipts. In addition to the common risks faced by other funds that only invest in the stocks listed on the Shanghai and Shenzhen Stock Markets, the Fund will also be exposed to the risks resulting from large price fluctuations and even large losses of Chinese depositary receipts, as well as the risks associated with the issuance mechanism of Chinese depositary receipts, including the risks that may arise from the differences in the legal status and rights of the holders of Chinese depositary receipts and the shareholders of the overseas issuers of the underlying securities; the risks that may arise from special arrangements of the holders of Chinese depositary receipts in the distribution of dividends and the exercise of voting rights; the risks of automatic constraints of depositary agreements on the holders of Chinese depositary receipts; the risks of differences in the price of Chinese depositary receipts and fluctuations due to multiple listings in different locations; the risks of dilution of the rights and interests of the holders of Chinese depositary receipts; the risks of delisting of Chinese depositary receipts; the risks that may arise from the potential

differences in domestic and foreign ongoing information disclosure supervision of the issuers of the underlying securities that have been listed overseas; and other risks that may arise from the differences in domestic and foreign legal systems and regulatory environments.

10. Other risks

- 1) Risks arising from technical factors, such as the risk arising from unreliable computer systems;
- 2) Risks arising from deficient system construction, staffing and internal control system establishment due to rapid development of the Fund's business;
- 3) Risks arising from man-induced factors, such as the risks arising from insider dealings frauds etc.;
- 4) Risks arising from the dependence on the key personnel, such as the Fund Manager;
- 5) Risks arising from failure of normal operations of the Fund Manager, Fund Sales Agencies, etc. due to war, natural disasters and other force majeure, and thus affecting the completion of the Fund's Subscription and Redemption within the normal timeline.

(II) Declaration

1. The Fund has not been guaranteed by any level of government, agency or department. The Fund Investors voluntarily invest in the Fund and they shall bear the investment risks at their own discretion.
2. Other than the sales of the Fund directly made by the Fund Manager, sales of the Fund is also made by agency via the Fund's Sales Agencies. However, the fund assets are not deposits or liabilities of these Sales Agencies, and the income is not guaranteed by the Fund's Sales Agencies. Therefore, the Sales Agencies cannot guarantee its income or the safety of the principal.

XVIII. ALTERATION AND TERMINATION OF THE FUND CONTRACT AND LIQUIDATION OF ASSETS OF THE FUND

(I) Alteration of the Fund Contract

1. In accordance with Laws and Regulations or the provisions of the Fund Contract, if a Unitholders' meeting shall be convened for the alteration of the Fund Contract, the altered contents of the Fund Contract shall be passed by the resolution of the Unitholders' meeting, and submit to CSRC for approval. Such alterations will be effective from the date of CSRC's approval.

2. However, under any of the following circumstances, the revised Fund Contract may be announced upon the consent of the Fund Manager and the Fund Custodian instead of the resolution of the Unitholders' meeting, and shall be reported to the CSRC for record:
 - (1) To reduce the fund management fee or the fund custody fee;
 - (2) To adjust the rates of Subscription fee, Redemption fee or to change the charging methods of the Fund within the scope specified by the Laws and Regulations and the Fund Contract;
 - (3) To revise the Fund Contract due to the changes made in the relevant Laws and Regulations;
 - (4) Any revision in the Fund Contract that does not relate to the relationship between the rights and obligations of the Parties to the Fund Contract;
 - (5) Any revision to the Fund Contract that does not affect adversely and substantially to the interests of the Unitholders;
 - (6) Other circumstances that convening the Unitholders' meeting is not required in accordance with the Laws and Regulations or the Fund Contract.

(II) Termination of Fund Contract

Under any of the following circumstances, the Fund Contract shall be terminated upon the approval of the CSRC:

1. The Unitholders' meeting resolves to terminate the Fund Contract;
2. The duties of the Fund Manager are terminated, and the post is not succeeded by a new Fund Manager within 6 months;
3. The duties of the Fund Custodian are terminated, and the post is not succeeded by a new Fund Custodian within 6 months;
4. Other circumstances stipulated by relevant Laws and Regulations and the CSRC.

(III) Liquidation of Assets of the Fund

1. Liquidation team of assets of the Fund
 - (1) After the Fund Contract is terminated, a liquidation team of assets of the Fund shall be established to conduct the liquidation of the Fund under the supervision of the CSRC.
 - (2) The liquidation team of assets of the Fund shall consist of the Fund Manager, the Fund Custodian, certified public accountants and lawyers who are qualified for engaging securities and futures related business, and persons appointed by the CSRC. The liquidation team of assets of the Fund may engage necessary staff.
 - (3) The liquidation team of assets of the Fund shall be responsible for the safekeeping, clearing, valuation, realisation and allocation of the Fund's assets. The liquidation team of assets of the Fund can take necessary civil activities in accordance with relevant laws.

2. Liquidation procedures of the Fund's assets

- (1) When the Fund Contract is terminated, the liquidation team of assets of the Fund shall carry out a unified takeover of the Fund's assets;
- (2) To clear and confirm the Fund's assets;
- (3) To value and realise the Fund's assets;
- (4) To prepare the liquidation report;
- (5) To engage an accounting firm to audit the liquidation report;
- (6) To engage a law firm to issue legal opinion on the liquidation report;
- (7) To report the results of liquidation of assets of the Fund to the CSRC;
- (8) To publish the liquidation report of the Fund's assets;
- (9) To allocate the remaining assets of the Fund.

3. Liquidation expenses

Liquidation expenses mean all reasonable fees and expenses incurred during the liquidation process of the Fund's assets carried out by the liquidation team of assets of the Fund, which shall be paid out of the Fund's assets by the liquidation team of assets of the Fund with priority.

4. The Fund's assets shall make payment in the following sequence:

- (1) Payment of liquidation expenses;
- (2) Payment of taxes in arrears;
- (3) Discharge of the Fund's debts;
- (4) Make allocation in proportion to the fund units held by the Unitholders.

The Fund's assets shall not be allocated to the Unitholders before the payments set forth in Items (1) to (3) above are made.

5. Announcement of liquidation of the Fund's assets

The liquidation report the Fund's assets shall be announced by the liquidation team of the Fund within 5 Business Days after the Fund Contract is terminated and reported to the CSRC for record. Any material matters in the liquidation process shall be announced timely. The liquidation results of the Fund's assets which have been audited by an accounting firm and have been issued with legal opinion by a law firm, shall be reported to the CSRC for record and an announcement shall be made.

6. Keeping of account books and documents of liquidation of the Fund's assets

The Fund Custodian shall keep the account books and related documents of liquidation of the Fund's assets for more than 15 years.

XIX. SUMMARY OF THE FUND CONTRACT

I. Basic Information of the Fund

Name of the Fund: CIFM China Emerging Power Fund

Category of the Fund: Mixed Securities Investment Fund

Operation mode of the Fund: Contractual-type open-end

Approval Document Number: CSRC Zheng Jian Ji Jin Zi [2011] No. 604

Fund Manager: China International Fund Management Co., Ltd.

Fund Custodian: Agricultural Bank of China Limited

II. Rights and Obligations of Unitholders, Fund Manager and Fund Custodian

(I) Rights and Obligations of Unitholders

Fund Investors become Unitholders and Parties to the Fund Contract starting from the date when they acquire the fund units pursuant to the Prospectus and the Fund Contract, until they cease to hold any fund units of the Fund. Their holdings of fund units indicate their full acknowledgment and acceptance of the Fund Contract. It is not a prerequisite for the Unitholder, as a Party to the Fund Contract, to seal or sign the Fund Contract in writing.

Unless otherwise provided by laws and regulations or otherwise agreed upon in the Fund Contract, each fund unit of the same class shall have equal and legitimate interests.

1. In accordance with *the Funds Law, Measures on Operation* and other provisions in relevant Laws and Regulations, the rights of a Unitholder include but are not limited to the following:

- (1) To share the income brought by the Fund's assets;
- (2) To participate in the allocation of the remaining assets of the Fund after liquidation;
- (3) To transfer or apply for redeeming the fund units which are held by them in accordance with the laws;
- (4) To request to convene the Unitholders' meetings in accordance with relevant provisions;
- (5) To attend or appoint a proxy to attend a Unitholders' meeting and exercise their voting rights on matters considered on the Unitholders' meeting;
- (6) To access and copy the publicly disclosed information of the Fund;
- (7) To supervise the investment operation of the Fund Manager;
- (8) To bring a suit against the violation of their legitimate interests by the Fund Manager, the Fund Custodian and the Sales Agencies of fund units;
- (9) Other rights stipulated by the Laws and Regulations and the Fund Contract.

2. In accordance with the *Funds Law, Measures on Operation* and other provisions in relevant Laws and Regulations, the obligations of Unitholder include but are not limited to the following:

- (1) To comply with the Laws and Regulations, the Fund Contract and other relevant provisions;
- (2) To pay the Application and Subscription monies of the Fund and the expenses specified by the Laws and Regulations, the Fund Contract and the Prospectus.
- (3) To assume the limited liability for the loss of the Fund or the termination of the Fund Contract to the extent of the fund units it holds;
- (4) Not to engage in any activity that will impair the legitimate interests of the Fund or other Unitholders.
- (5) To execute the effective resolutions approved by the Unitholders' meetings;
- (6) To observe the relevant trading and business rules of the Fund Manager, the Fund Custodian and Sales Institutions and Registrars;
- (7) To return any improper gains received from the Fund Manager, the Fund Custodian and the agent of the Fund Manager for any reason during the course of trading of the Fund;
- (8) Other obligations specified by the Laws and Regulations and the Fund Contract.

(II) Rights and Obligations of the Fund Manager

1. Rights of the Fund Manager

- (1) To independently utilise the assets of the Fund pursuant to the relevant provisions in Laws and Regulations and the Fund Contract as from the Effective Date of Fund Contract;
- (2) To receive the remuneration of the Fund Manager and other fees stipulated by the Laws and Regulations or approved by the CSRC pursuant to the Fund Contract;
- (3) To exercise the rights arising from the investment of the Fund's assets in securities in the interests of the Fund in accordance with relevant provisions;
- (4) Subject to the compliance with the relevant Laws and Regulations and the Fund Contract, to formulate and adjust the business rules related to the Application, Subscription, Redemption, switching, non-trading transfer, Agency Transfer, etc. of the Fund and to determine the fee structure and charging methods of the Fund (except for increasing the custody fee and management fee);

- (5) To supervise the Fund Custodian in accordance with the Fund Contract and the relevant provisions. The Fund Manager shall promptly report to the CSRC and the banking supervisory regulator any acts which are in breach of the Fund Contract or the relevant Laws and Regulations by the Fund Custodian and might cause material losses to the assets of the Fund and/or to the interests of other parties of the Fund, and take necessary measures to protect the interests of the Fund and other relevant parties of the Fund;
- (6) To reject or temporarily suspend accepting the application for Subscription, Redemption and switching within the extent as agreed in the Fund Contract;
- (7) To act as the Registrar and to select and replace the Registrar, and to conduct necessary supervision and inspection on its agency behaviour as the Registrar;
- (8) To select and replace the Sales Agencies and to conduct necessary supervision and inspection on their behaviours in accordance with the sales agency agreements and the relevant Laws and Regulations;
- (9) To nominate a new Fund Custodian in the event of replacement of the Fund Custodian;
- (10) To convene a Unitholders' meeting pursuant to laws.
- (11) To select and replace the law firm, accounting firm, securities broker and other external institutions which provide services to the Fund;
- (12) According to the relevant provisions of the State and subject to as permitted by the Laws and Regulations, to carry out margin facility and securities borrowing in the name of the Fund pursuant to laws;
- (13) Other rights stipulated by the Laws and Regulations.

2. Obligations of the Fund Manager

- (1) To carry out the fund offering pursuant to the laws, and to undertake or appoint other institutions identified by the CSRC to undertake the offering, Subscription, Redemption and registration of fund units.
- (2) To handle the procedures of record filing for the Fund;
- (3) To manage and use the assets of the Fund based on the principles of good faith and due diligence as from the Effective Date of Fund Contract;
- (4) To employ adequate qualified personnel with professional qualifications to conduct analysis and make decisions regarding the Fund's investment, and to manage and operate the assets of the Fund in a professional business manner;

- (5) To establish sound systems for internal risk control, supervision and auditing, financial management and personnel management, etc., so as to ensure the assets of the Fund under its management and the assets of the Fund Manager are independent to each other. To have separate management and separate book-entry on various fund assets managed by the Fund Manager and to carry out securities investment;
- (6) Not to seek benefits for itself or any third party or entrust any third party to operate the assets of the Fund unless otherwise provided by the *Funds Law*, the Fund Contract and other relevant provisions.
- (7) To be supervised by the Fund Custodian pursuant to laws;
- (8) To calculate and publish the net asset value information of the Fund, to confirm the Subscription and Redemption prices of the fund units;
- (9) To adopt appropriate and reasonable measures to ensure that the calculation methods for the Application, Subscription and Redemption prices of fund units are in compliance with the provisions of legal documents, such as the Fund Contract, etc.
- (10) To accept and handle the application for Subscription and Redemption of fund units and to pay the redemption monies in time and in full;
- (11) To carry out the financial accounting of the Fund and to prepare the financial and accounting reports of the Fund.
- (12) To prepare interim and annual reports of the Fund;
- (13) To perform the obligations of information disclosure and reporting in strict accordance with the *Funds Law*, the Fund Contract and other relevant provisions;
- (14) To keep business secrets of the Fund and not to disclose any investment plans, investment intentions, etc. of the Fund. To keep confidential of and not to disclose to others any information of the Fund before the same is made available to the public, save for disclosures required by the *Funds Law*, the Fund Contract and other relevant provisions;
- (15) To determine the income distribution plan of the Fund in accordance with the Fund Contract and to distribute the income to the Unitholders on a timely basis;
- (16) To convene or assist the Fund Custodian and Unitholders to convene Unitholders' meetings in accordance with the *Funds Law*, the Fund Contract and other relevant provisions.
- (17) To maintain records, accounting books, statements of business activities of fund assets management and other relevant information;

- (18) To exercise the right of litigation or to implement other legal actions on behalf of the interests of the Unitholders in the name of the Fund Manager;
- (19) To organise and join in the liquidation team of the Fund's assets and participate in the keeping, clearing, valuation, realisation and allocation of the assets of the Fund;
- (20) To assume liability to pay compensation in case of any loss to the assets of the Fund or any harm to the legitimate interests of the Unitholders arising from the Fund Manager's breach in the Fund Contract. Such liability shall not be exempted due to its retirement;
- (21) To claim for compensation against the Fund Custodian for the Unitholders in the event of any losses of the assets of the Fund arising from the Fund Custodian's breach in the Fund Contract;
- (22) To provide the Fund Custodian with the register of Unitholders pursuant to the relevant provisions;
- (23) To establish and maintain the register of Unitholders;
- (24) To report to the CSRC and notify the Fund Custodian in a timely manner in case of dissolution, revocation or bankruptcy according to laws;
- (25) To execute the effective resolutions approved by the Unitholders' meetings;
- (26) Not to engage in any activity that will impair the Fund or the legitimate interests of other Parties to the Fund Contract;
- (27) To exercise the shareholders' rights of the investee company for the interests of the Fund, to exercise the rights arising from the investment of the Fund's assets in securities for the interests of the Fund, pursuant to the Laws and Regulations, and not to seek for shareholdings and direct management of the listed companies;
- (28) Other obligations specified by the Laws and Regulations and the Fund Contract and those required by the CSRC.

(III) Rights and Obligations of the Fund Custodian

1. Rights of the Fund Custodian

- (1) To receive the fund custody fee.
- (2) To supervise the investment operation of the Fund by the Fund Manager;
- (3) To keep in safe custody the assets of the Fund in accordance with laws as from the Effective Date of Fund Contract;
- (4) To nominate a new Fund Manager in the event of replacement of the Fund Manager;

- (5) To supervise the Fund Manager pursuant to the Fund Contract and the relevant provisions. The Fund Custodian shall promptly report to the CSRC any acts which are in breach of the Fund Contract or the relevant Laws and Regulations by the Fund Manager and might cause material losses to the assets of the Fund and/or to the interests of other Parties to the Fund Contract, and take necessary measures to protect the interests of the Fund and other Parties to the Fund Contract;
 - (6) To convene a Unitholders' meeting pursuant to laws.
 - (7) To obtain the register of the Unitholders pursuant to the relevant provisions;
 - (8) Other rights stipulated by the Laws and Regulations.
2. Obligations of the Fund Custodian
 - (1) To hold and safely keep the assets of the Fund in the principles of honesty and good faith and with due diligence;
 - (2) To establish a specialised fund custody department, which operates in a business premise that meets the requirements, employs adequate full-time qualified personnel who are familiar with the fund custody business, and is responsible for the custody of the assets of the Fund;
 - (3) To establish sound systems for internal control system, supervision and auditing, financial management and personnel management , etc., so as to ensure the safety of the Fund's assets, to ensure the assets of the Fund under its custody, the Fund Custodian's own assets and the assets of other funds are independent to each other; to maintain separate accounts, conduct separate accounting and keep separate book-entry for the assets of various funds which are in its custody, and to ensure the register, account setup, fund transfer and books recording among various funds are independent to each other;
 - (4) Not to seek benefits for itself or any third party or entrust the assets of the Fund under custody by any third party unless otherwise provided by the *Funds Law*, the Fund Contract and other relevant provisions;
 - (5) To safely keep all the material contracts related to the Fund and the evidences signed by the Fund Manager on behalf of the Fund;
 - (6) To open capital account and securities account for the assets of the Fund pursuant to the relevant provisions;
 - (7) To keep business secrets of the Fund. To keep confidential and not to disclose to others any information of the Fund before the same is made available to the public, save for disclosures required by the *Funds Law*, the Fund Contract and other relevant provisions;

- (8) To provide its opinion on the financial and accounting reports of the Fund as well as the interim and annual reports of the Fund to illustrate whether the Fund Manager's operation in all major aspects is in strict accordance with the provisions of the Fund Contract. In the event that the Fund Manager fails to perform the acts stipulated in the Fund Contract, it is also necessary to illustrate whether the appropriate measures have been taken by the Fund Custodian.
- (9) To keep the records, account books, statements and other related information of the custody business activities of the Fund for not less than 15 years;
- (10) To process the clearing and settlement in a timely manner according to the investment instructions of the Fund Manager pursuant to the agreed terms in the Fund Contract;
- (11) To carry out the information disclosures related to the custody business activities of the Fund;
- (12) To review and verify the net asset value information of the Fund calculated by the Fund Manager and the Subscription and Redemption prices of the fund units;
- (13) To supervise investment operation of the Fund Manager pursuant to the provisions;
- (14) To prepare relevant account books and check with the Fund Manager in accordance with the provisions;
- (15) To pay the Fund income and Redemption monies to the Unitholders pursuant to the instruction of the Fund Manager or relevant provisions;
- (16) To convene the Unitholders' meeting pursuant to the provisions or to cooperate with the Unitholders to convene the Unitholders' meeting by itself pursuant to the laws;
- (17) To assume liability to pay compensation in the case of any loss of the assets of the Fund incurred by the breach in the Fund Contract. Such liability shall not be exempted due to its retirement;
- (18) To supervise the Fund Manager to fulfill its obligations in accordance with the Laws and Regulations and the Fund Contract, and shall claim for compensation against the Fund Manager for the Fund in the event that any losses of the assets of the Fund arising from the Fund Manager's breach of the Fund Contract;
- (19) To establish and maintain the register of Unitholders pursuant to the Fund Contract and the Custody Agreement;

- (20) To join in the liquidation team of the Fund's assets and participate in the keeping, clearing, valuation, realisation and allocation of the assets of the Fund;
- (21) To report to the CSRC and the CBRC and notify the Fund Manager in a timely manner in case of dissolution, revocation, bankruptcy or asset takeover by the receiver;
- (22) To execute the effective resolutions approved by the Unitholders' meetings;
- (23) Other obligations stipulated by the Laws and Regulations and the Fund Contract and those required by the CSRC.

III. Procedures and Rules for Convening, Discussion on and Voting in Unitholders' meeting

(I) Reasons for Convening the Unitholders' meetings

1. The Unitholders' meetings shall be convened when there is an occurrence or a need for determining one of the following reasons:
 - (1) To terminate of the Fund Contract;
 - (2) To change of the operation mode of the Fund;
 - (3) To change the type of the Fund;
 - (4) To change the investment objectives, investment scope or investment strategy of the Fund;
 - (5) To change the discussion procedures of the Unitholders' meeting;
 - (6) To replace the Fund Manager or the Fund Custodian;
 - (7) To increase the remuneration standards of the Fund Manager and the Fund Custodian, except for the increase of such remuneration standards are required by the Laws and Regulations;
 - (8) To merge the Fund with other funds;
 - (9) Other matters, such as the matter which may have significant influence on the rights and obligations of Parties to the Fund Contract which require to convene a Unitholders' meeting in order to revise the Fund Contract;
 - (10) Other situations as stipulated by the relevant Laws and Regulations, the Fund Contract or by the CSRC.
2. In any of the following situations, the amendments may be made by the Fund Manager and the Fund Custodian upon consultation and it is not required to convene a Unitholders' meeting:
 - (1) To reduce the management fee, custody fee and other fees that shall be borne by the Fund and the Unitholders;

- (2) To adjust the Subscription fee rate, to reduce the Redemption fee rate or to change the charging methods of the Fund within the scope specified by Laws and Regulations and the Fund Contract;
- (3) To revise the Fund Contract due to the corresponding changes made in the relevant Laws and Regulations;
- (4) Any amendments to the Fund Contract that would not make changes on the rights and obligations of the Parties to the Fund Contract;
- (5) Any amendments to the Fund Contract that would not adversely affect in substance to the benefits of the Unitholders;
- (6) Other circumstances where it is not required to convene the Unitholders' meeting in accordance with the Laws and Regulations or the Fund Contract.

(II) Convener and Convening Methods

1. The Unitholders' meeting shall be convened by the Fund Manager unless otherwise agreed in Laws and Regulations or the Fund Contract. If the Fund Manager does not convene the meeting pursuant to the relevant provisions or cannot convene the meeting, the meeting shall be convened by the Fund Custodian.
2. The Fund Custodian shall submit a written proposal to the Fund Manager to convene the Unitholders' meeting as it considers necessary. The Fund Manager shall decide whether to convene the meeting and give a written notice to the Fund Custodian within 10 days after receipt of the written proposal. If the Fund Manager decides to convene the meeting, the meeting shall be convened within 60 days after the issuance of the written decision; if the Fund Manager decides not to convene the meeting and the Fund Custodian still considers that it is necessary to convene the meeting, the Fund Custodian shall convene the meeting on its own.
3. If the Unitholders representing more than 10% (inclusive, same as below) of fund units consider it necessary to convene a Unitholders' meeting, they shall submit a written proposal to the Fund Manager. The Fund Manager shall decide whether to convene the meeting and give a written notice to the representative(s) of the proposing Unitholders and the Fund Custodian within 10 days after receipt of the written proposal. If the Fund Manager decides to convene the meeting, the meeting shall be convened within 60 days after the issuance of the written decision; if the Fund Manager decides not to convene the meeting and the Unitholders representing more than 10% of fund units still consider that it is necessary to convene the meeting, they shall submit a written proposal to the Fund Custodian. The Fund Custodian shall decide whether to convene the meeting and give a written notice to the representative(s) of the proposing Unitholders and the Fund Manager within 10 days after receipt of the written proposal; if the Fund Custodian decides to convene the Unitholders' meeting, the meeting shall be convened within 60 days after the issuance of the written decision.

4. If the Unitholders representing more than 10% of fund units request to convene a Unitholders' meeting for the same matter but both the Fund Manager and the Fund Custodian decide not to convene the meeting, the Unitholders representing more than 10% of fund units are entitled to convene a Unitholders' meeting on their own, provided that they shall report to the CSRC for record at least 30 days in advance.
5. If the Unitholders convene a Unitholders' meeting pursuant to the laws on their own, the Fund Manager and the Fund Custodian shall cooperate and shall not obstruct or interfere.

(III) Time, Contents and Method of Notice of Convening the Unitholders' meeting

1. The convener of the Unitholders' meeting (hereinafter referred to as the "convener") is responsible for choosing and determining the time, venue and form of holding meetings and the registration date of interests. The convener shall make an announcement regarding the convening of the Unitholders' meeting on the Designated Media 30 days before convening the meeting. The notice of convening the Unitholders' meetings shall at least specify the followings:
 - (1) The time, venue and form of attendance;
 - (2) The major matters to be deliberated on the meeting;
 - (3) Form of meeting;
 - (4) Discussion procedures;
 - (5) The registration date of interests of the Unitholders who are entitled to attend the Unitholders' meeting;
 - (6) Requirements for the contents of the power of attorney (including but not limited to the identity, authority and term of the proxy) as well as the time and place of service;
 - (7) Form of voting;
 - (8) The name and the telephone number of the standing contact person of the matters of meeting;
 - (9) The documents and formalities required to be prepared and fulfilled by the attendees of the meeting;
 - (10) Other matters required to be notified by the convener.
2. If the meeting is convened and votes are cast by means of communications, the convener shall determine the means of communications and voting in writing, and specify in the notice of meeting the specific means of communications adopted in this Unitholders' meeting, the appointed notary institutions, as well as its contact information and the contact person, and the deadline of sending and the method of receiving the written opinions.

3. If the convener is the Fund Manager, it shall otherwise notify the Fund Custodian, in writing, to supervise the counting of the written voting opinions at the specified venue. If the convener is the Fund Custodian, it shall otherwise notify the Fund Manager, in writing, to supervise the counting of the written voting opinions at the specified venue. If the convener is the Unitholders, they shall otherwise notify the Fund Manager and Fund Custodian, in writing, to supervise the counting of the written voting opinions at the specified venue. The refusal of the Fund Manager or the Fund Custodian to appoint any representative(s) to supervise the counting of the written voting opinions will not affect the validity of the counting of votes and the result of voting.

(IV) Method of Attending Meeting by Unitholders

1. Forms of Meeting

- (1) The forms for convening the Unitholders' meeting include onsite meeting or communications meeting.
- (2) Onsite meeting refers to a meeting is attended by the Unitholder in person or his proxy with a power of attorney. The authorised representatives of the Fund Manager and the Fund Custodian shall attend the onsite meeting. If the Fund Manager or the Fund Custodian refuses to appoint any authorised representative(s) to attend the meeting, the voting validity will not be affected.
- (3) Communications meeting refers to a voting carried out by means of communication in writing pursuant to the related provisions of the Fund Contract.

2. Conditions of convening the Unitholders' meeting

(1) Onsite meeting

The onsite meeting shall only be held if all the following conditions are satisfied:

- 1) According to the verified and consolidated certificates on the fund units held by the attendees as of the date of registration of interests, the corresponding fund units reflected in all valid certificates represent more than 50%(inclusive, as below) of the total fund units on the date of registration of interests.
- 2) The certificates of holdings of the Unitholders who attend the meeting in person, the certificates of holdings of the principals as presented by their proxies and the written powers of attorney of the principals, etc. shall meet the requirements of the relevant Laws and Regulations, the Fund Contract and the notice of meeting. The evidence of holding fund units shall be consistent with the registration information held by the Fund Manager.

If any of the aforesaid conditions is not satisfied, the convener may otherwise determine and announce the date (shall be at least 25 Business Days later) and venue of another rescheduled meeting, but the date of registration of interests for determining the eligibility of the Unitholders' attendance at the meeting shall remain unchanged.

(2) Communications meeting

The communications meeting shall only be held if all the following conditions are satisfied:

- 1) After publishing the notice of meeting in accordance with the Fund Contract, the convener shall publish the relevant reminding announcement consecutively within 2 Business Days;
- 2) Under the supervision of the Fund Custodian (the Fund Manager, if the Fund Custodian is the convener) and the notary institution, the convener collects and counts the written voting opinions from the Unitholders by the means stated in the notice of meeting. If the Fund Manager or the Fund Custodian is notified with the refusal for participating in the collection and counting of the written voting opinions, the voting validity will not be affected;
- 3) The fund units representing the holdings of the Unitholders who submit the written voting opinions directly by their own or by their authorised representatives who submit the written voting opinions on their behalf account for more than 50% of the total number of fund units on the date of registration of interests;
- 4) The certificates of holdings of fund units which are submitted by the Unitholders who submitted the written voting opinions directly or by the representatives appointed by the Unitholders on their behalf to submit the written opinions, the certificates of holdings of fund units of the principals which are presented by their proxies who attend the meeting the written powers of attorney shall meet all the requirements of the relevant Laws and Regulations, the Fund Contract and the notice of meeting notice, and shall conform to records in the Registrars;

If any of the aforesaid conditions for holding a meeting is not satisfied, the convener may determine and announce another time for re-voting (shall be at least 25 Business Days later), but the date of registration of interests for determining the eligibility of the Unitholders' attendance at the meeting shall remain unchanged.

(V) Contents and Procedure of Discussion

1. Contents of discussion and proposal right

- (1) The Agenda refers to the matters relating to the reasons for which the Unitholders' meeting is convened as specified by the Fund Contract and other matters which, in the opinion of the convener, are required to be laid on the Unitholders' meeting for discussion.

(2) The Fund Manager, the Fund Custodian and the Unitholders who individually or jointly hold more than 10% of the total fund units on the date of registration of interests may submit a proposal to the convener on the matter to be deliberated and voted on at the Unitholders' meeting before the notice of meeting has been sent by the convener; they may also submit a temporary proposal to the convener after the meeting notice has been sent and such proposal shall be submitted to the convener 35 days prior to the meeting is convened. The convener shall announce the temporary proposal 30 days prior to the meeting is convened. Otherwise, the convening date of meeting shall be postponed and shall assure there is an interval of at least 30 days between the convening date of meeting and the announcement date of proposal.

(3) For the proposals submitted by the Unitholders (including temporary proposals), the convener shall review the proposals on the following principles:

Relevance. For the proposals made by the Unitholders which involve the matters directly relating to the Fund and not going beyond the authority of the Unitholders' meeting as specified by the Laws and Regulations and the Fund Contract, the convener shall present the same to the meeting for deliberation; for those which do not meet the aforesaid requirements, the convener shall not present the same to the Unitholders' meeting for deliberation. If the convener decides not to present any proposal of the Unitholders to the Meeting for voting, he/she shall explain and illustrate his decision at that Unitholders' meeting.

Procedural. The convener of the meeting may make decision on the procedural issues involved in the proposals of the Unitholders. The proposals may be split up or combined for voting with the consent of the original proposer; if the original proposer disagrees with such change, the host of the meeting may submit a request to the Unitholders' meeting for making decision in respect of the procedural issues and have relevant deliberation in accordance with the procedures as determined by the Unitholders' meeting.

(4) For the proposals which are submitted by the Unitholders who individually or jointly hold more than 10% of the total fund units on the date of registration of interests and for the proposals which are submitted by the Fund Manager or the Fund Custodian to the Unitholders' meeting for deliberation, if such proposals are not adopted at the Unitholders' meeting after deliberation the same proposal shall be presented again to the Unitholders' meeting for deliberation, at the interval of no less than six months unless otherwise as specified by the Laws and Regulations.

(5) After the notice of meeting is given by the convener of the Unitholders' meeting, if it is required to make amendment to the original proposal, an announcement shall be made no later than 30 days prior to the convening date of the Unitholders' meeting. Otherwise, the convening date of meeting shall be postponed and shall assure there is an interval of at least 30 days between the convening date of meeting and the announcement date.

2. Discussion procedures

(1) Onsite meeting

In case of onsite meeting, the host of the meeting shall firstly declare the discussion procedures and considerations of the meeting according to the procedures prescribed, specify and announce the scrutineer, and then read out the proposals, which shall form the meeting resolutions in the presence of a legally practicing lawyer after discussion and voting.

The meeting shall be hosted by the authorised representative of the Fund Manager. In the event that the authorised representative of the Fund Manager is unable to host the meeting, the meeting shall be hosted by the authorised representative of the Fund Custodian; if both the authorised representatives of the Fund Manager and the Fund Custodian are unable to host the meeting, a representative shall be selected as the host of the Unitholders' meeting by a majority votes cast by the attending Unitholders and the proxies representing more than 50% of fund units. If the Fund Manager and the Fund Custodian neither attend nor host the Unitholders' meeting, the validity of the resolutions made by the Unitholders' meeting shall not be affected.

The convener shall make a signature book of attendees of the meeting. The signature book shall set out information, such as the name (or entity name), identification number, residential address, fund units with voting rights held and represented, name of principal (or entity name), etc. of the attendees of the meeting.

(2) Communications meeting

In case of meeting of communications for voting, the convener shall firstly announce the proposals 30 days in advance. All the valid votes shall be counted on the second day after the notified voting deadline under the supervision of a notary institution, and then the resolutions will be formed.

3. Voting cannot be made at a Unitholders' meeting for an agenda item that was not announced in advance.

(VI) Conditions, Voting Methods and Procedures for Making Resolutions

1. Each fund unit held by the Unitholders is entitled to equal voting right.

2. Resolutions of the Unitholders' meetings include ordinary resolutions and special resolutions:

(1) Ordinary resolutions

To be effective, an ordinary resolution shall be approved by more than 50% of the voting rights held by the Unitholders and their proxies who attend the meeting. Except for the matters specified in paragraph (2) below which must be approved by a special resolution, all other matters shall be approved by an ordinary resolution;

(2) Special resolutions

To be effective, a special resolution shall be approved by more than two-third of the voting rights held by the Unitholders and proxies who attend the meeting. To be effective, matters such as replacement of the Fund Manager, replacement of the Fund Custodian, change of operation mode of the Fund and early termination of the Fund Contract must be approved by a special resolution.

3. The matters to be decided at the Unitholders' meeting shall be reported to the CSRC in accordance with the laws for approval or filing, and an announcement shall be made.
4. If the voting process is carried out by means of communication, the written voting opinions which apparently comply with the relevant Laws and Regulations and the notice of meeting notice shall be deemed as valid votes, unless there are sufficient evidences to the contrary. Any vague or contradictory voting opinions shall be deemed as abstain from voting; however, they shall be included in the total number of fund units represented by the Unitholders who submitted the written voting opinions.
5. The Unitholders' meeting adopts registered voting.
6. Each proposal or each topic listed in the same proposal of a Unitholders' meeting shall be deliberated separately and voted one by one.

(VII) Votes counting

1. Onsite meeting
 - (1) If the Unitholders' meeting is convened by the Fund Manager or Fund Custodian, the host of the meeting shall announce, after the commencement of the meeting, to elect two representatives of the Unitholders among the Unitholder and the proxies who attend the meeting and one representative authorised by the convener to act as the scrutineers. If the meeting is convened by the Unitholders on their own, or in the event that although the meeting is convened by the Fund Manager and the Fund Custodian, the Fund Manager and the Fund Custodian did not attend meeting, the host of the meeting shall announce, after the commencement of the meeting, to elect three Unitholders among the Unitholders and the proxies who attend the meeting to act as the scrutineers. If the Fund Manager or the Fund Custodian did not attend the meeting, the validity of the votes counting and the result of voting will not be affected.
 - (2) The scrutineers shall count the votes immediately after the Unitholders have cast their votes, and the host of the meeting shall announce the result of votes counting on the spot.
 - (3) If the host of the meeting is suspicious of the submitted result of voting, the votes may be recounted. If the host of the meeting does not recount the votes, and the Unitholders or the proxies of the Unitholders who attend the meeting have dissent from the result of voting announced by the host

of the meeting, they shall have the right to request to carry out a recounting of votes immediately after the announcement of the result of voting. The host of the meeting shall immediately carry out the recounting of votes and announce the result of recounting. The recounting can be carried out once only.

(4) The votes counting process shall be notarised by notary institutions.

2. Communications meeting

In case of communications meeting, the votes shall be counted in the following manners: The votes shall be counted by two scrutinizers authorised by the convener under the supervision of the authorised representative of the Fund Custodian (the authorised representative of the Fund Manager, if the Fund Custodian is the convener) and the votes counting process shall be notarised by notary institutions. If the Fund Manager or the Fund Custodian do not appoint any representative(s) to supervise the votes counting, the validity of the votes counting and the result of voting shall not be affected. However, the Fund Manager or the Fund Custodian shall notify the convener at least two Business Day in advance to invite the third party without direct interest as a personnel for monitoring the votes counting.

(VIII) Time and Manners of Announcement after the Resolutions of the Unitholders' meetings have been reported to the CSRC for Approval or Filing

1. The convener shall report the ordinary resolutions and special resolutions which are approved by the Unitholders' meeting to the CSRC for approval or record, within 5 days from the date when the resolutions are approved. Matters decided by the Unitholders' meetings shall become effective on the day the CSRC approves or issues non-dissenting opinion in accordance with the laws and shall only be implemented after they become effective.
2. All the Unitholders, the Fund Manager and the Fund Custodian shall be bound by the effective resolutions of the Unitholders' meeting. The Fund Manager, the Fund Custodian and the Unitholders shall implement the effective decisions of the Unitholders' meetings.
3. Resolutions of Unitholders' meetings shall be announced on the Designated Media and the Fund Manager's website after they become effective in accordance with the relevant provisions.
4. If the voting process is carried out by means of communication, the full text of notarial certificates and the names of notary institutions and notaries shall be announced together when the resolutions of the Unitholders' meeting are announced.

(IX) Special Agreement on the Unitholders' Meeting during the Implementation of the Side Pocket Mechanism

If the Fund implements the side pocket mechanism, the proportion of relevant fund units or voting rights refers to that the proportion of the fund units or voting rights held or represented by the main pocket account Unitholders and those of the side pocket Unitholders conforms with such proportion respectively. In case when the matters to be deliberated for convening the Unitholders' meeting do not involve the side pocket account, then it only refers to that the proportion of the fund units or voting rights held or represented by the main pocket account Unitholders conforms with such proportion:

1. Fund Unitholders shall individually or collectively represent more than 10% (inclusive) of the relevant fund units to exercise the rights to propose, convene, and nominate;
2. In case of onsite meeting, participants attending the meeting represent no less than half (inclusive) of the relevant fund units of the Fund on the registration date of interests;
3. In case of communications meeting, the fund units representing the shareholdings of the Unitholders who submit voting opinions directly by their own or by their authorized representatives on their behalf account for no less than half (inclusive) of the total number of fund units on the registration date of interests;
4. When the fund units held by the Unitholders participating in the voting at the Unitholders' meeting represent less than one-half of the relevant fund units on the registration date of interests, the convener shall reconvene a Unitholders' meeting on the original matters to be deliberated after 3 months and within 6 months of the original announced convene date of the Unitholders' meeting and have Unitholders to participate or authorize representatives to participate in voting at the Unitholders' meeting representing more than one-third (inclusive) of the relevant fund units;
5. In case of onsite meeting, an unitholder shall be selected as the host of the Unitholders' meeting by more than 50% (inclusive) of the voting rights held by the Unitholders and the proxies who attend the meeting;
6. A general resolution shall be approved by more than one-half (inclusive) of the voting rights held by the Unitholders (or their proxies) who attend the meeting;
7. A special resolution shall be approved by more than two-thirds (inclusive) of the voting rights held by the Unitholders (or their proxies) who attend the meeting.

During the implementation of the side pocket mechanism, if the matters to be deliberated at the Unitholders' meeting involve the main pocket account and the side pocket account, the Unitholders of the main pocket account and the side pocket account shall vote respectively. Each fund unit of the same category in the same main pocket account or the same side pocket account has equal voting rights. If the voting matter does not involve the side pocket account, the units of the side pocket account shall have no voting rights.

During the implementation of the side pocket mechanism, the relevant provisions of the Unitholders' meeting shall be subject to the special provisions of this Section, and the relevant provisions of the above shall apply to the matters not provided in this Section.

IV. Principles and Implementation Methods of Income Distribution

(I) Principles of Income Distribution

The following principles shall be followed in distribution of the Fund Income:

1. Each fund unit of the same class in the Fund shall have the same rights for distribution;
2. Provided that the conditions for distribution is satisfied, the annual income of the Fund shall be distributed for at most 4 times, and distribution for each fund unit each time shall be no less than 30% of the profit that can be distributed on the income distribution benchmark date; If the Fund Contract is effective for less than three months, income distribution may not be conducted. The fund profit available for distribution refers to, in the balance sheet of the Fund, of the undistributed profit of the Fund or the realised gain in the undistributed profit (whichever is lower) on the benchmark date of income distribution;
3. The value of subtracting the amount of income distribution per fund unit of a fund unit class from the NAV per Fund Unit of the same fund unit class on the benchmark date shall be not be less than its par value;
4. There are two distribution methods for Fund Income: cash dividends and dividend reinvestment and the Investor may choose to receive cash dividends or automatically convert cash dividends into the fund units for reinvestment; if the Investors do not make a choice, the Fund will distribute the cash dividends by default;
5. Whereas dividend distribution of the Fund is carried out, the distribution date shall not exceed 15 Business Days from the benchmark date of income distribution (namely the deadline for calculating the profit available for distribution).
6. Relevant laws and regulations or rules of the supervisory authority which provide otherwise shall prevail.

In the circumstances that the interests of investors are not affected, the Fund Manager can adjust the above principles of fund income distribution if permissible under Laws and Regulations, and notice of the adjustment should be issued on Designated Media and the website of the Fund Manager before the adjustment is implemented.

(II) Distribution Plan of Fund Income

The distribution plan of fund income shall include information on the amount of the distributable profits as of the benchmark date of income distribution of the Fund, the beneficiaries to such distribution, distribution time, distribution amount and proportion, and distribution methods.

(III) Determination, Announcement and Implementation of Income Distribution Plan

1. The Fund income distribution plan shall be drafted by the Fund Manager, verified and confirmed by the Fund Custodian, and announced by the Fund Manager pursuant to the laws and regulations.
2. After the distribution plan is announced (pursuant to the provisions of specific plans), the Fund Manager shall send a payment order of cash dividends to the Fund Custodian, and the Fund Custodian shall pay for the dividends in a timely manner according to the order of the Fund Manager.
3. Relevant laws and regulations or rules of the supervisory authority which provide otherwise shall prevail.

(VI) Fees arising from fund income distribution

The transfer fees or other service fees charged by the bank and incurred in the income distribution shall be borne by the Investors. Where the cash dividends received by an Investor is lower than a certain amount and is insufficient to pay for the bank transfer fees or other service fees, the Registrar may automatically convert such cash dividends of the Unitholders into fund units. Calculation method of dividend re-investment shall be carried out in accordance with the *Business Rules*.

(V) Income distribution during the implementation of the side pocket mechanism

If the Fund implements the side pocket mechanism, the side pocket account does not make income distribution. Please refer to the Prospectus for details.

V. Accrual Methods, Accrual Standards, and Payment Methods of the Expenses of the Fund

(I) Types of expenses of the Fund

1. Management fees payable to the Fund Manager;
2. Custody fees payable to the Fund Custodian;
3. Information disclosure expenses payable upon the Fund Contract takes effect, unless otherwise stipulated by the laws, regulations or the CSRC;
4. Expenses of the Unitholders' meetings;
5. Accountant fees and legal fees related to the Fund upon the Fund Contract takes effect;
6. Expenses arising from trading of securities;
7. Banking charges for transfer and payment of the fund assets;
8. Other fees payable out of the fund assets according to the provisions of the State;

(II) The aforesaid expenses of the Fund shall be determined by the Fund Manager at the fair market price to the extent as stipulated by the Laws and Regulations. If the provisions are otherwise stipulated by the Laws and Regulations and the Fund Contract, such provisions shall be observed.

(III) Accrual methods, accrual standards, and payment methods of the expenses of the Fund

1. Management fees payable to the Fund Manager

In general, the management fee shall be accrued at the annual rate of the NAV of the Fund on the preceding day. The calculation method is as follows:

$H = E \times \text{annual management fee rate} \div \text{number of days in the current year}$, where the annual management fee rate of the Fund is 1.5%

H is the management fee accrued every day

E is the NAV of the Fund on the preceding day

The management fee is accrued daily and is payable monthly. The Fund Manager will send the payment order for the Fund's management fee to the Fund Custodian, and the Fund Custodian will check and make a lump-sum payment to the Fund Manager from the fund assets within 3 Business Days from the first day of next month. In case of statutory festive holidays or a day off, the date of payment shall be postponed.

2. Custody fees payable to the Fund Custodian

In general, the custody fee shall be accrued at the annual rate of the NAV of the Fund on the preceding day. The calculation method is as follows:

$H = E \times \text{annual custody fee rate} \div \text{number of days in the current year}$, where the annual custody fee rate of the Fund is 0.25%

H is the custody fee accrued every day

E is the NAV of the Fund on the preceding day

The custody fee is accrued daily and is payable monthly. The Fund Manager will send the payment order for the Fund's custody fee to the Fund Custodian, and the Fund Custodian will check and make a lump-sum payment to the Fund Custodian from the fund assets within 3 Business Days from the first day of next month. In case of statutory festive holidays or a day off, the date of payment shall be postponed.

3. The above-mentioned fees in the expenses described in (3)-(7) of (I) shall be paid by the Fund Custodian pursuant to other relevant Laws and Regulations and the provisions in corresponding agreements, and such fees shall be paid as out-of-pocket expenses and shall be included or apportioned in the current expenses of the Fund.

(IV) Items not included in the expenses of the Fund

The expenses or the losses of the fund assets incurred due to the Fund Manager or the Fund Custodian fails to perform or fails to fully perform their obligations, and the expenses incurred when dealing with the matters not related to the Fund's operations, shall not be included in the expenses of by the Fund. Information disclosure expenses, legal fees, accounting fees and other expenses incurred during the Initial Offer Period of the Fund shall not be paid out of the assets of the Fund.

(V) The Fund Manager and Fund Custodian may adjust the fund management fee rate and the fund custody fee rate according to the development conditions of the Fund. The Unitholders' meeting is not required to convene for the purpose of reducing the fund management fee rate and the fund custody fee rate. The Fund Manager shall make an announcement on the Designated Media and the website of the Fund Manager no later than the implementation date of new fee rate according to the relevant provisions.

(VI) Fund expenses during the implementation of the side pocket mechanism

If the Fund implements the side pocket mechanism, the fees related to the side pocket account can be paid out of the side pocket account, but only after the realisation of the assets of the side pocket account. The relevant fees can be charged or reduced as appropriate, but management fees shall not be charged. Please refer to the Prospectus for details.

(VII) Taxes of the Fund

The Fund and the Unitholders shall perform the tax obligation pursuant to the Laws and Regulations stipulated by the State.

VI. Investment Approach and Investment Restrictions of the Assets of the Fund

(I) Investment Objectives

The Fund aims to achieve stable appreciation of the Fund's assets while subject always to effective control of risk. With a view to capture economic structure adjustments and rising trend of industrial upgrading, the Fund seeks to explore investment opportunities in growing emerging industries with a focus on high-quality listed companies in emerging industries as well as listed companies in traditional industries that have new impetus for growth.

(II) Investment Concepts

Under the background of national economic transformation and through the perspective analysis of direction of economic restructuring and industrial upgrade, investment opportunities shall be grasped during the abrupt rise of emerging industries. In the meantime, the new investment opportunities brought by the traditional industry upgrade and the development and transformation of the traditional industry companies shall be explored, so as to achieve the long-term and stable appreciation of the Fund's assets.

(III) Investment Scope

The investment scope of the Fund includes financial instruments with good liquidity, including stocks that are issued and listed in accordance with the law (including ChiNext and SME stocks and other listed stocks approved by CSRC), Chinese depositary receipts, bonds, money market instruments, warrants, asset-backed securities and other financial instruments which are permitted for fund investment by relevant laws and regulations or the CSRC in China, provided that the relevant requirements stipulated by CSRC are satisfied.

The proportion of the Fund's portfolio is: stocks and other equity assets cover 60% – 95% of the Fund's assets; bonds and other fixed income assets cover 0-40% of the Fund's assets; warrants investment covers 0-3% of the NAV of the Fund; cash or government bonds with a maturity less than 1 year shall not be less than 5% of NAV of the Fund, and cash does not include settlement provisions, guarantee deposits paid and subscription amounts receivable. Not less than 80% the Fund's investment in stocks shall be invested in the stocks of high-quality listed companies in emerging industries and the stocks of listed companies in traditional industries that has new impetus for growth.

Should the relevant laws or regulator(s) permit other types of financial instruments to be invested in by funds, subject to the Fund Manager completing appropriate procedures, such financial instruments may be included in the Fund's investment scope.

(IV) Investment Restrictions

The investment portfolio of the Fund is subject to the following restrictions:

- (1) The market value of stocks of one listed company held by the Fund shall not be more than 10% of the NAV of the Fund;
- (2) The holdings of the Fund and any other fund managed by the Fund Manager in the securities issued by a company shall not be more than 10% of such securities;
- (3) The number of outstanding shares issued by a listed company held by all open-ended funds managed by the Fund Manager should not exceed 15% of the total number of outstanding shares in the listed company;
- (4) The number of outstanding shares issued by a listed company held by all portfolios managed by the Fund Manager should not exceed 30% of the total number of outstanding shares issued by such listed company;
- (5) The capital balance financed through the bond repurchase in the national interbank market shall not be more than 40% of the NAV of the Fund. The maximum term of bond repurchase is 1 year and shall not be extended after expiration of bond repurchase;
- (6) Where the Fund participates in the subscription of share issuance, the amount reported by the Fund shall not be more than the total assets of the Fund and the number of shares reported by the Fund shall not be more than the total number of shares to be issued by the share issuer for this issuance;
- (7) The value of cash (not including settlement provisions, guarantee deposits paid and subscription amount receivables) or government bonds maturing within one year as a percentage of the NAV should be kept above 5%;
- (8) Regarding the Fund's investment in warrants, the total amount purchased on any trading day shall not be more than 0.5% of NAV of the Fund of the previous trading day. The market value of all warrants held by the Fund shall not exceed 3% of the NAV of the Fund, and the proportion of the same warrant held by all the funds managed by the Fund Manager shall not be more than 10% of that

warrant. The proportion of investment in other warrants shall conform to Laws and Regulations or relevant requirements of regulatory authorities.

- (9) The proportion of the same (referring to the same credit rating) asset backed securities held by the Fund shall not be more than 10% of the size of such asset-backed securities; the proportion of various types of assets-backed securities of the same original holder shall not be more than 10% of the NAV of the Fund; the investment in various types of asset-backed securities of the same original holder made by all securities funds managed by the Fund Manager shall not be more than 10% of the aggregate size of various types of asset-backed securities; the market value of all asset-backed securities held by the Fund shall not be more than 20% of the NAV of the Fund.
- (10) The market value of assets with trading restrictions in which the Fund invested should not exceed 15% of the Fund's NAV.

In the event that this investment limit is violated due to factors beyond the control of the Fund Manager, e.g. securities market fluctuations, trading suspension for shares in the listed company and changes in fund size, the Fund Manager shall not proactively increase investment in such assets with trading restrictions;

- (11) Where the Fund carries out a reverse repurchase as the counterparty to a private equity product or another entity recognised by the CSRC, the qualification requirements of the collaterals offered should be the same as the investment scope in the Fund Contract;
- (12) The Fund shall not violate the provisions related to the investment scope, investment strategy, and investment proportion stated in the Fund Contract.
- (13) The percentage limit of the Fund's investment in Chinese depositary receipts shall conform with that of domestically listed and traded stocks, and shall be calculated in combination with domestically listed and traded stocks, unless otherwise provided by laws, regulations, or regulatory agencies;
- (14) Any restrictions on the said proportions as otherwise stipulated by the Laws and Regulations or the regulatory authorities shall prevail.

The Fund Manager shall enable the proportions of the investment portfolio of the Fund in compliance with that prescribed in the Fund Contract within 6 months from the Effective Date of the Fund Contract. Subject to the relevant laws and regulations, if the fund's portfolio does not comply with the investment ratios above (excluding clauses (7), (10) and (11)) due to the factors not attributable to the Fund Manager, such as fluctuation in securities market, merger of listed companies, change in Fund size, etc., the Fund Manager shall make adjustment within 10 trading days. Any proportions as otherwise stipulated by the Laws and Regulations other regulatory authorities shall prevail.

If the aforesaid restrictions are cancelled by the Laws and Regulations or the regulatory authorities, the investments of the Fund shall not be subject to the aforesaid restrictions after fulfilling appropriate procedures.

VII. Calculation Methods and Announcement Manners of the NAV of the Fund

(I) Valuation Methods

1. Valuation Methods for Stocks:

(1) Valuation for Listed Stocks:

The listed and tradable stocks shall be valued at the closing prices at their securities exchanges on the Valuation Day. In case there is no trading on the Valuation Day and no material changes on the economic environment after the latest trading day, those stocks shall be valued at the closing prices on the latest trading day. If there is no trading on the Valuation Day and there are material changes on the economic environment after the latest trading day, the valuation shall be made by adjusting the closing prices on the latest trading day and determining their fair values, with reference to the prevailing market prices and material changes of similar types of investment.

(2) Valuation for Unlisted Stocks:

- ① In case of unlisted stocks that are initially issued, valuation techniques shall be adopted to determine the fair value. Under the circumstances that the fair value is hard to be calculated by valuation techniques in a reliable manner, such stocks shall be valued at cost;
 - ② The unlisted stocks that are issued through bonus issue, transfer of reserve to common stocks, rights issue and secondary public offering of new shares, shall be valued at the valuation price of the same stock listed on the stock exchanges on the Valuation Day, or shall be valued at the closing price of the latest trading day if there is no trading on the Valuation Day;
 - ③ The stocks that are initially offered with definite locked-in period shall be valued with the valuation method of the same stock listed on the stock exchanges on the Valuation Day after the listing of the same stock;
 - ④ For the stocks that are not publicly offered and have definite locked-in period, they are valued at the fair values determined in accordance with the relevant provisions of the regulatory authorities or industry associations.
- (3) Under any circumstances, if the Fund Manager adopts any valuation methods stated in the above items (1) to (2) of this clause, it shall be considered that the appropriate valuation methods have been adopted. However, if the Fund Manager considers that the valuation methods stated in above items (1) to (2) of this clause which have been adopted to value the fund assets cannot objectively reflects their fair values, the Fund Manager may, pursuant to the

specific circumstances and after consultation with the Fund Custodian, conduct a valuation at a price which better reflects the fair value.

- (4) If there is any latest requirement of the State, the valuation shall be conducted accordingly.

2. Valuation Methods for Fixed-income Securities:

- (1) Fixed-income products which are traded or quoted for transfer on the stock exchanges shall be valued at the net value of products of corresponding types provided by third-party valuation agencies on the Valuation Day. The valuation agency shall be determined by the Fund Manager and the Fund Custodian through consultation.
- (2) The fixed-income products on the stock exchanges which have not traded at net prices shall be valued at the net prices calculated by deducting the interest receivable (the interest calculated from the first Interest-bearing day or the previous accrual date to the Valuation Day of fixed-income products) on fixed-income products included in the closing prices of fixed-income products from the closing prices of the fixed-income products on the Valuation Day. In case there is no trading on the Valuation Day and no material changes on the economic environment after the latest trading day, the valuation shall be made at the net prices calculated by deducting the interest receivable on fixed-income products included in the closing prices of fixed-income products from the closing prices of the fixed-income products on the latest trading day.
- (3) In case of unlisted bonds that are initially issued, valuation techniques shall be adopted to determine the fair value for valuation. Under the circumstances that the fair value is hard to be calculated by valuation techniques a reliable manner, such bonds shall be valued at cost.
- (4) In case of asset-backed securities that are transferred in block trade on the exchanges, valuation techniques shall be adopted to determine the fair value. Under the circumstances that the fair value is hard to be calculated by valuation techniques in a reliable manner, such securities shall be valued at cost.
- (5) In case of fixed income products, such as bonds, asset-backed securities, etc. that are traded on the interbank bond market, valuation techniques shall be adopted to determine the fair value.
- (6) Where a bond is traded on two or more markets at the same time, it shall be valued respectively at the market where it is traded.
- (7) Under any circumstances, if the Fund Manager adopts any valuation methods stated in the above items (1) to (6) of this clause, it shall be considered that the appropriate valuation methods have been adopted. However, if the Fund Manager considers that the valuation methods stated in above items (1) to (6) of this clause which have been adopted to value the fund assets cannot objectively reflects their fair values, the Fund Manager may, on the basis of a comprehensive consideration on various factors such as market trading

price, market quotation, liquidity and yield curve, to conduct a valuation for bonds. The Fund Manager may, pursuant to the specific circumstances and after consultation with the Fund Custodian, conduct a valuation at a price which better reflects the fair value.

- (8) If there is any latest requirement of the State, the valuation shall be conducted accordingly.

3. Valuation Methods for Warrants:

- (1) During the time from the date of confirmation of holdings to the date of sale or the exercise date, the listed warrants that are held by the Fund shall be valued at the closing prices of such warrants quoted on the securities exchanges on the Valuation Day. In case there is no trading on the Valuation Date and no material changes on the economic environment after the latest trading day, such warrants shall be valued at the closing prices on the latest trading day. If there are material changes on the economic environment after the latest trading day, the valuation shall be made by adjusting the closing prices on the latest trading day and determining their fair prices, with reference to the prevailing market prices and material changes of similar types of investment.
- (2) In case of unlisted warrants that are initially issued, valuation techniques shall be adopted to determine the fair value. Under the circumstances that the fair value is hard to be calculated by valuation techniques in a reliable manner, such warrants shall be valued at cost.
- (3) In case of rights that are entitled by holding stocks and the warrants whose trading is suspended and have not been exercised, valuation techniques shall be adopted to determine the fair value for valuation.
- (4) Under any circumstances, if the Fund Manager adopts any valuation methods stated in the above items (1) to (3) of this clause, it shall be considered that the appropriate valuation methods have been adopted. However, if the Fund Manager considers that the valuation methods stated in above items (1) to (3) of this clause which have been adopted to value the fund assets cannot objectively reflects the fair values, the Fund Manager may, pursuant to the specific circumstances and after consultation with the Fund Custodian, conduct a valuation at a price which better reflects the fair value.
- (5) If there is any latest requirement of the State, the valuation shall be conducted accordingly.

- 4. The valuation calculation of the Fund's Chinese depositary receipts investment shall be carried out in accordance with that of the domestic listed stocks.
- 5. Assets, such as other marketable securities shall be valued according to relevant provisions of the State.

(II) Announcement of the net asset value information of the Fund

After the effectiveness of the Fund Contract, and prior to the commencement of the Subscription or Redemption of fund units, the Fund Manager shall publish the NAV per Fund Unit and the cumulative NAV per Fund Unit on the Designated Websites at least once every week.

After the processing of the Subscription or Redemption of Fund units commences, the Fund Manager shall disclose the NAV per Fund Unit and the cumulative NAV per Fund Unit for each Dealing Day on the Designated Websites as well as on the websites of subscription and redemption agencies or at their sales outlets no later than the following day of every Dealing Day.

The Fund Manager shall disclose the NAV per Fund Unit and the cumulative NAV per Fund Unit as of the last day of every half year and full year on the Designated Websites no later than the day following the last day of every half year and full year.

VIII. Reasons and Procedures of Termination of the Fund Contract and Liquidation of the Assets of the Fund

(I) Termination of the Fund Contract

Under any of the following circumstances, the Fund Contract shall be terminated upon approval of the CSRC:

1. The Unitholders' meeting resolves to terminate the Fund Contract;
2. The duties of the Fund Manager are terminated, and the post is not succeeded by a new Fund Manager within 6 months;
3. The duties of the Fund Custodian are terminated, and the post is not succeeded by a new Fund Custodian within 6 months;
4. Other circumstances stipulated by relevant Laws and Regulations and the CSRC.

(II) Liquidation of Assets of the Fund

1. Liquidation team of assets of the Fund
 - (1) After the Fund Contract is terminated, a liquidation team shall be established to conduct the liquidation of the Fund under the supervision of the CSRC.
 - (2) The liquidation team of the Fund shall consist of the Fund Manager, the Fund Custodian, certified public accountants and lawyers who are qualified for engaging securities and futures related business, and persons appointed by the CSRC. The liquidation team of the Fund may engage necessary staff.
 - (3) The liquidation team of the Fund shall be responsible for safekeeping, clearing, valuation, realisation and allocation of the Fund's assets. The liquidation team can take necessary civil activities in accordance with relevant laws.

2. Liquidation procedures of the Fund's assets
 - (1) When the Fund Contract is terminated, the liquidation team shall carry out a unified takeover of the Fund's assets;
 - (2) To clear and confirm the Fund's assets;
 - (3) To value and realise the Fund's assets;
 - (4) To prepare the liquidation report;
 - (5) To engage an accounting firm to audit the liquidation report;
 - (6) To engage a law firm to issue legal opinion on the liquidation report;
 - (7) To report the results of liquidation of the Fund to the CSRC;
 - (8) To publish the announcement of the liquidation of the Fund;
 - (9) To allocate the remaining assets of the Fund.
3. Liquidation expenses

Liquidation expenses mean all reasonable fees and expenses incurred during the liquidation process of the Fund carried out by the liquidation team of the Fund, which shall be paid out of the Fund's assets by the liquidation team of the Fund with priority.
4. The Fund's assets shall make payment in the following sequence:
 - (1) Payment of liquidation expenses;
 - (2) Payment of taxes in arrears;
 - (3) Discharge of the Fund's debts;
 - (4) Making allocation in proportion to the fund units held by the Unitholders.

The Fund's assets shall not be allocated to the Unitholders before the payments set forth in Items (1) to (3) above are made.
5. Announcement of liquidation of the Fund's assets

The announcement of liquidation of the Fund's assets shall be announced by the liquidation team of the Fund within 5 Business Days after the Fund Contract is terminated and reported to the CSRC for record. Any material matters in the liquidation process shall be announced timely. The liquidation results of the Fund's assets which have been audited by an accounting firm and have been issued with legal opinion issued by a law firm, shall be reported to the CSRC and an announcement shall be made.
6. Keeping of books and documents of liquidation of the Fund's assets

The Fund Custodian shall keep the books and related documents of liquidation of the Fund's assets for more than 15 years.

IX. Settlement of Disputes

The Parties to the Fund Contract shall endeavor to settle the disputes arising from or in connection with the Fund Contract through negotiation and mediation. Any Party who is unwilling or unable to settle such disputes through negotiation and mediation shall be entitled to submit such disputes to the China International Economic and Trade Arbitration Commission for arbitration pursuant to the arbitration rules then in force of the China International Economic and Trade Arbitration Commission. The arbitration shall take place in Beijing. The arbitral award shall be final and binding on the parties concerned.

During the settlement of disputes, the Parties to the Fund Contract shall observe their respective duties and responsibilities, continue to perform their obligations as set forth in the Fund Contract faithfully, diligently and responsibly, and shall maintain the legitimate interests of the Unitholders.

The Fund Contract shall be governed by and interpreted under the laws of the People's Republic of China.

X. Venues of Placing and Methods of Obtaining by Investors for the Fund Contract

There are six copies of the original Fund Contract. Apart from the two copies which shall be submitted to the relevant regulatory authorities, the Fund Manager and the Fund Custodian each shall keep two copies. Each copy is in equal force of law.

The Fund Contract can be printed in hard copies for inspection by the Fund Investor at the offices and premises of the Fund Manager, the Fund Custodian, the Sales Agencies and the Registrars. Any discrepancies in the terms and contents between the original and the copies of the Fund Contract, the original hereof shall prevail.

XX. SUMMARY OF THE FUND CUSTODY AGREEMENT

(I) Parties to the Custody Agreement

1. Fund Manager: China International Fund Management Co., Ltd. (see Article 3 of this Prospectus for specific information)
2. Fund Custodian: Agricultural Bank of China Limited
Name: Agricultural Bank of China Limited
Registered Address: No.69, Jianguomen Nei Avenue, Dongcheng District, Beijing
Business Address: East Tower, Chemsunny World Trade Center, No. 28, Fuxingmen Nei Avenue, Xicheng District, Beijing
Postal Code: 100031
Legal Representative: Zhou Mubing
Inception Date: January 15, 2009
Fund Custody Qualifications Approval Number: CSRC Zheng Jian Ji Zi [1998] No. 23
Registered Capital: RMB 324,794.117 Million
Duration: continuous operation
Business Scope: Deposits from public; granting short-term, medium-term, long-term loans; domestic and foreign settlement; bills acceptance and discounting; issue of financial bonds; agency issue, agency payment, underwriting of government bonds; trading of government bonds and financial bonds; interbank borrowing; trading and agency trading of foreign exchange; foreign exchange settlement and sale; bank card business; providing letter of credit service and guarantee; agency collection and payment business; safe deposit box service; agency clearing of funds; various kinds of exchange business; agency policy bank, foreign governments and international financial institutions loan business; loan commitment; organise or participate in the syndicated loans; foreign exchange deposits; foreign currency loans; foreign exchange remittance; foreign exchange borrowing; issue, agency issue, issuing and issuing as an agent foreign currency marketable securities other than stocks; foreign currency bills acceptance and discounting; proprietary and customers driven foreign exchange transactions; foreign currency exchange; foreign exchange guarantee; credit investigation, consultation, attestation business; enterprise, personal financial advisory service; depository business for settlement funds of customers of securities company; securities investment fund custody business; enterprise annuity trust business; industry investment fund custody business; QFII's domestic securities investment custody business; agency open-end fund business; telephone banking, mobile banking, internet banking business; financial derivative products trading business; other businesses approved by regulatory authorities, such as the banking regulatory authority under the State Council; and insurance and agency business.

(II) Supervision and Verification on the Fund Manager's Business by the Fund Custodian

1. The Fund Custodian shall supervise the investment scope and investment object of the Fund in accordance with the provisions of the relevant Laws and Regulations and the Fund Contract. If the investment style or securities selection criteria of the Fund have been clearly agreed in the Fund Contract, the Fund Manager shall provide the pools of investment types and counterparties according to the format required by the Fund Custodian. Therefore, the Fund Custodian is enabled to use relevant technical system to supervise whether the Fund's actual investment is in line with the securities selection criteria agreed in the Fund Contract and to inspect the suspicious issues.

The investment scope of the Fund includes financial instruments with good liquidity, including stocks that are issued and listed in China in accordance with the laws (including ChiNext and SME stocks and other listed stocks approved by CSRC), Chinese depositary receipts, bonds, money market instruments, warrants, asset-backed securities and other financial instruments which are permitted for fund investment by relevant laws and regulations or the CSRC, provided that the relevant requirements stipulated by the CSRC are satisfied.

The proportion of the Fund's portfolio is: stocks and other equity assets cover 60% – 95% of the Fund's assets; bonds and other fixed income assets cover 0-40% of the Fund's assets; warrants investment covers 0-3% of the NAV of the Fund; cash or government bonds with a maturity less than 1 year shall not be less than 5% of NAV of the Fund, and cash does not include settlement provisions, guarantee deposits paid and subscription amounts receivable. Not less than 80% the Fund's investment in stocks shall be invested in the stocks of high-quality listed companies in emerging industries and the stocks of listed companies in traditional industries that have new impetus for growth.

Should the relevant laws or regulator(s) permit other types of financial instruments to be invested in by funds, subject to the Fund Manager completing appropriate procedures, such financial instruments may be included in the Fund's investment scope.

2. The Fund Custodian shall supervise the proportion of investment, margin facility and securities borrowing of the Fund in accordance with the provisions of the relevant Laws and Regulations and agreed terms in the Fund Contract. The Fund Custodian shall conduct the supervision according to the following proportion and adjustment period:
 - 1) The market value of stocks of one listed company held by the Fund shall not be more than 10% of the NAV of the Fund;
 - 2) The market value of the holdings of any other fund managed by the Fund and the Fund Manager in the securities issued by a company shall not be more than 10% of such securities;
 - 3) The number of outstanding shares issued by a listed company held by all open-ended funds managed by the Fund Manager and escrowed by the Custodian should not exceed 15% of the total number of outstanding shares in the listed company; the number of outstanding shares issued by a listed company held by all portfolios managed by the Fund Manager and escrowed by the Custodian should not exceed 30% of the total number of outstanding shares in the listed company;

- 4) The capital balance financed through the bond repurchase in the national interbank market shall not be more than 40% of the NAV of the Fund. The maximum term of bond repurchase is 1 year and shall not be extended after expiration of bond repurchase;
- 5) Where the Fund participates in the subscription of share issuance, the amount reported by the Fund shall not be more than the total assets of the Fund and the number of shares reported by the Fund shall not be more than the total number of shares to be issued by the share issuer for this issuance;
- 6) The total amount of warrants purchased by the Fund on any trading day shall not be more than 0.5% of NAV of the Fund of the preceding trading day. The market value of all warrants held by the Fund shall not exceed 3% of the NAV of the Fund, and the proportion of the same warrant held by other funds managed by the Fund Manager shall not be more than 10% of that warrant.
- 7) The proportion of the same (referring to the same credit rating) asset backed securities held by the Fund shall not be more than 10% of the size of such asset-backed securities; the proportion of various types of assets-backed securities of the same original holder shall not be more than 10% of the NAV of the Fund; the investment in various types of asset-backed securities of the same original holder made by all securities funds managed by the Fund Manager shall not be more than 10% of the aggregate size of various types of asset-backed securities; the market value of all asset-backed securities held by the Fund shall not be more than 20% of the NAV of the Fund.
- 8) The value of cash (not including settlement provisions, guarantee deposits paid and subscription amount receivables) or government bonds maturing within one year as a percentage of the NAV should be kept above 5%;
- 9) The fair value of stocks of one listed company (including non-public offering) held by the Fund shall not be more than 10% of the NAV of the Fund; the fair value of all restricted securities held by the Fund shall not be more than 10% of the NAV of the Fund; the fair value of the same issue of restricted securities held by the Fund shall not be more than 2% of the NAV of the Fund;
- 10) The market value of assets with trading restrictions in which the Fund invested should not exceed 15% of the Fund's NAV.

In the event that this investment limit is violated due to factors beyond the control of the Fund Manager, e.g. securities market fluctuations, trading suspension for shares in the listed company and changes in fund size, the Fund Manager shall not proactively increase investment in such assets with trading restrictions;

- 11) Where the Fund carries out a reverse repurchase as the counterparty to a private equity product or another entity recognised by the CSRC, the qualification requirements of the collaterals offered should be the same as the investment scope in the Fund Contract;

- 12) The Fund shall not violate the provisions related to the investment scope, investment strategy, and investment proportion stated in the Fund Contract;
- 13) The percentage limit of the Fund's investment in Chinese depositary receipts shall conform with that of domestically listed and traded stocks, and shall be calculated in combination with domestically listed and traded stocks, unless otherwise provided by laws, regulations, or regulatory agencies;
- 14) Any restrictions on the said proportions as otherwise stipulated by the Laws and Regulations or the regulatory authorities shall prevail.

In the event that this investment ratio above is violated due to factors beyond the control of the fund manager (excluding clauses 8, 10 and 11) due to the factors not attributable to the Fund Manager, such as fluctuation in securities market, merger of listed companies, change in fund size, etc., the Fund Manager shall make adjustment within 10 trading days.

The Fund Manager shall enable the proportions of the investment portfolio of the Fund in compliance with that prescribed in the Fund Contract within 6 months from the Effective Date of the Fund Contract. Any proportions as otherwise stipulated by the Laws and Regulations or the regulatory authorities shall prevail.

Among the above restricted provisions on the investment portfolios, in case of mandatory provisions of the Law and Regulation, when the above restrictions are cancelled by the Laws or Regulations or regulatory authorities, the investment of the Fund may not be subject to the aforesaid provisions after fulfilling appropriate procedures.

Prior to the occurrence of foreseeable significant changes in asset size, the Fund Manager shall send a letter specifying the possible change scale and the corresponding measures of the company, to the Fund Custodian, for facilitating the custodian's implementation of the transaction supervision.

The Fund Custodian shall start the supervision and inspection on the investments of the Fund from the Effective Date of Fund Contract.

3. The Fund Custodian shall, pursuant to the relevant Laws and Regulations and the agreed provisions in the Fund Contract, supervise the prohibited investment activities specified in Clause 9 of Article 15 of the Agreement. The Fund Custodian shall supervise the prohibited investment activities and the connected transactions of the Fund Manager in the manner of post-supervision. Pursuant to the provisions of the Laws and Regulations which prohibit the Fund from engaging in the connected transactions, the Fund Manager and the Fund Custodian shall provide each other with the list of shareholders who have shareholding relationship with this entity, the list of companies which have other material interests with this entity and the list of trading securities of the related connected parties. The Fund Manager and the Fund Custodian shall be responsible for ensuring the truth, accuracy, and completeness of the list of connected transactions and shall be responsible for sending the updated list to the other party in a timely manner.

When the Fund Custodian discovers that the Fund Manager and the connected parties in the list of connected transactions carry out the connected transaction of which the Fund is prohibited to engage by relevant Laws and Regulations, the Fund Custodian shall, in a timely manner, remind and assist the Fund Manager to take necessary measures for preventing from the occurrence of such connected transaction. If the necessary measures taken by the Fund Custodian fail to prevent from the occurrence of that connected transaction, the Fund Custodian shall have the right to report this case to the CSRC. For the connected transaction which has been executed by the Fund Manager, if the Fund Custodian has strictly comply with the supervision procedure in advance but still fails to prevent from the occurrence of the connected transaction and such transaction can only carry out the post-settlement pursuant to relevant Laws and Regulations and the rules of exchanges, the Fund Custodian shall not bear the losses caused therefrom and shall report to the CSRC.

4. The Fund Custodian shall, pursuant to the relevant Laws and Regulations and the agreed provisions in the Fund Contract, supervise the Fund Manager's participation in the interbank bond market. The Fund Manager shall, before the operation of fund investment, provide the Fund Custodian with a list of interbank bond market counterparties which are selected carefully, suitable for the Fund, and shall agree on the settlement mode of transaction suitable for the counterparties. The Fund Custodian shall supervise whether the Fund Manager has carried out the transaction in accordance with the list of interbank bond market counterparties provided in advance. The Fund Manager can update the list of interbank bond market counterparties semiannually. If the Fund Manager needs to adjust the list of interbank bond market counterparty temporarily according to the market situation, the Fund Manager shall give reasons to the Fund Custodian, and negotiate a solution with the Fund Custodian within 3 Business Days before carrying out a transaction with the counterparty. After the Fund Manager has received the written confirmation from the Fund Custodian, the confirmed and adjusted list becomes effective. The transaction which was carried out with the counterparty that is deleted in this adjustment before the new list takes effect but has not been settled, shall still be settled in accordance with the agreement. The Fund Manager shall be responsible for the credit control of the counterparties, and shall carry out transactions according to the trading rules of the interbank bond market. The Fund Custodian shall supervise the performance of the Fund Contract according to the contract note of the interbank bond market, but shall not be responsible for the loss incurred by the failure of performance of the Fund Contract by the counterparty. In case that the Fund Custodian later discovered that the Fund Manager fails to carry out transaction with the counterparty or in the manner as agreed in advance, the Fund Custodian shall remind the Fund Manager in a timely manner and shall not assume any loss or liability caused therefrom.
5. The Fund Custodian shall, pursuant to the relevant Laws and Regulations and the agreed provisions in the Fund Contract, supervise and verify the calculation of the NAV of the Fund, the calculation of the NAV per Fund Unit, the receipt of accounts receivables, the determination of Fund's fees and income, the fund income distribution, the relevant information disclosure, the data of results and performance contained in the promotional materials of the Fund.

If the Fund Manager, print the untrue data of results and performance on the promotional and recommendation materials without authorisation and without the review from the Fund Custodian, the Fund Custodian shall not hold any responsibility on this, and will immediately report to the CSRC once this is discovered.

6. The Fund Custodian shall, pursuant to the relevant Laws and Regulations and the agreed provisions in the Fund Contract, supervise the Fund's investment in restricted floating securities.

- 1) The investment in restricted floating securities by the Fund shall comply with the provisions of the relevant Laws and Regulations, such as of *Urgent Notification of Standardizing the Act of the Fund Investment in Non-Publicly Offered Securities*, and the *Notice of Relevant Issues Concerning the Fund Investment in Restricted Floating Securities of Non-Publicly Offered Stocks*.
- 2) The restricted floating securities, include tradable securities which have been specified with a locked-in period when they are issued, such as the non-publicly offered stocks and the part of offline placement of the publicly offered stocks standardised by *Administrative Measures of Securities Issuance of Listed Companies*, etc., but exclude the restricted floating securities, such as stocks suffering a temporary suspension due to the release of major information or other reasons, the issued but not listed securities, the pledged securities in the repurchase transaction.
- 3) Prior to the first investment in the restricted floating securities, the Fund Manager shall formulate rules and systems, such as the relevant investment decision-making flow, risk control system, liquidity risk control plan, etc. The Fund Manager shall reasonably arrange the investment proportion of the restricted non-floating securities according to the need of the fund liquidity, and shall confirm specific proportion in the risk control system, to prevent the Fund to be exposed to liquidity risk. The above rules and systems shall be subject to the approval by the Board of Directors of the Fund Manager. After the above rules and systems have been passed by the Board of Directors, the Fund Manager shall submit the above rules and systems as well the resolution of the Board of Directors for the above rules and systems to the Fund Custodian.
- 4) Before investing in the restricted floating securities, the Fund Manager shall provide relevant information related to the restricted floating securities to the Fund Custodian at least a trading day in advance. The relevant information shall specifically include but not limited to the following documents (if any):

Proposed size of issue, basis for pricing, copies of approved certificates and documents of regulatory authorities, copy of the sales agreement signed by the Fund Manager and the underwriters, bills of payment, the quantity, price and total cost of the proposed subscription of the Fund, account number for fund transfer, amount of fund transfer, and time and document of fund transfer, etc. The Fund Manager shall guarantee the truth and completeness of the above information.

- 5) During the supervision of the Fund Manager's investment in the restricted floating securities by the Fund Custodian, if it is considered that the specific investment behaviour of the Fund Manager may bring greater risk to the assets of the Fund due to the dramatic changes in the market, the Fund Custodian shall have the right to request the Fund Manager to carry out some supplements and rectifications on the elimination of the risk or the precaution measures, and shall make a written explanation. Otherwise, upon an advance written notice to the Fund Manager, the Fund Custodian shall have the right to refuse to execute the relevant instructions. In case of any loss of the Fund's assets incurred by the refusal of the execution of the instruction, the Fund Custodian shall not assume any responsibility, and have the right to report to the CSRC.
 - 6) The Fund Manager shall guarantee that the restricted floating securities invested by the Fund are registered and deposited under the name of the Fund, and shall ensure that the Fund Custodian can make normal enquiry. Any loss of the Fund's assets incurred or any liability and loss caused by the failure of safekeeping of the Fund's assets by the Fund Custodian due to the issues of registration and depository of the restricted floating securities arisen from the Fund Manager shall be borne by the Fund Manager.
 - 7) If the Fund Manager fails to submit the relevant data to the Fund Custodian in accordance with the agreed provisions of this Agreement or has reported false data that results in the Fund Custodian is unable to perform the duties of a custodian, the Fund Manager shall assume the corresponding legal consequences. In addition to the Fund Custodian fails to perform duties pursuant to the Fund Contract and this Agreement, for the losses caused by investment in the restricted floating securities, the Fund Custodian shall not assume such losses after fulfilling the duties of supervision in accordance with the Agreement.
7. If the Fund Custodian discovers that the Fund Manager's above matters, investment instructions or actual investment operation are in breach of the Laws and Regulations and the provisions of the Fund Contract, the Fund Custodian shall, in a timely manner, give a written notice to the Fund Manager to make a correction within a period of time. The Fund Manager shall actively cooperate with and assist in the supervision and review conducted by the Fund Custodian. Upon the receipt of the notice, the Fund Manager shall make a verification in time before the next Business Day and shall reply to the Fund Custodian in writing, in order to provide explanation and proof for the doubts of the Fund Custodian and to specify the reasons of the breach and the deadline for correction, and shall guarantee to make the correction in time within a specified period of time. The Fund Custodian shall, within the above specified period, have the right to review the matters as set forth in the notice and urge the Fund Manager to make corrections. In case that the Fund Manager fails to correct its violations notified by the Fund Custodian within the said period of time, the Fund Custodian shall report to the CSRC. In case that the Fund Custodian discovers that the investment instructions of the Fund Manager which have been put into effect pursuant to trading procedures are in breach of the laws, administrative regulations and other related provisions or are in breach of the agreed provisions of the Fund Contract, the Fund Custodian shall notify the Fund Manager immediately and shall report to the CSRC.

8. The Fund Manager shall be obliged to cooperate with and assist in the Fund Custodian to verify the Fund's business pursuant to the Laws and Regulations, the Fund Contract and the Custody Agreement. For the written reminder sent by the Fund Custodian, the Fund Manager shall make a reply and correction within the specified period of time or shall provide explanation and proof for the doubts of the Fund. When the Fund Custodian is required to submit the fund supervision report to the CSRC pursuant to the regulations, the Fund Manager shall actively cooperate in providing the relevant data and system, etc.
9. Whereas the Fund Custodian discovers that the Fund Manager is in material breach, the Fund Custodian shall report to the CSRC in a timely manner and shall at the same time notify the Fund Manager to make corrections within the specific period of time and shall report the correction results to the CSRC. Whereas the Fund Manager, without proper reason, refuses or obstructs the other party to exercise the right of supervision pursuant to the provisions of the Agreement, or prevents the other party from carrying out the effective supervision by means of delay, fraud, etc. and if the circumstances are serious or no correction is made despite of the warning of the Fund Custodian, the Fund Custodian shall report to the CSRC.
10. When the Fund holds specific assets and there are, or there potentially will be substantive redemption applications, in accordance with the principle of protecting the interests of Unitholders to the greatest extent, the Fund Manager can activate the side pocket mechanism in accordance with laws and regulations and as agreed in the Fund Contract without convening a Unitholders' Meeting for deliberation after negotiation and agreement with the Fund Custodian and consultation with the Accounting Firm.

The Fund Custodian shall review and supervise the activation of the side pocket mechanism, disposal of specific assets, and information disclosure in accordance with the provisions of relevant laws and regulations and the agreement of the Fund Contract. The specific rules during the implementation of the side pocket mechanism shall be implemented in accordance with the provisions of relevant laws and regulations and the agreement of the Fund Contract.

(III) Verification of the Fund Custodian's Business by the Fund Manager

1. The Fund Manager shall verify the performance of duties custody of the Fund Custodian. The verification items include the Fund Custodian's safekeeping of the assets of the Fund, opening of the fund account and securities account of the assets of the Fund, reviewing the NAV of the Fund and the NAV per Fund Unit calculated by the Fund Manager, clearing and settlement according to the instructions by the Fund Manager, disclosure of relevant information, supervising the operation of fund investment, etc.
2. When the Fund Manager discovers that the Fund Custodian is in breach of the *Funds Law*, the Fund Contract, this Agreement or other relevant provisions while makes unauthorised use of the assets of the Fund, does not implement the management of separate accounts on the assets of the Fund, fails to execute or delays to execute without any reason the instruction of fund transfer of the Fund Manager, reveals the investment information of the Fund, the Fund Manager shall, in a timely manner, give a written

notice to the Fund Custodian to make a correction within a specific period of time. Upon the receipt of the notice, the Fund Custodian shall make verification in time before the next Business Day and shall reply to the Fund Manager in writing, specifying the reasons of the breach and the deadline for correction and shall guarantee to make corrections within the specified period of time. The Fund Manager shall, within the above specified period, have the right to review the matters as set forth in the notice and urge the Fund Custodian to make corrections. The Fund Custodian shall actively cooperate with the verification activities of Fund Manager including but not limited to: providing relevant information for the Fund Manager to verify the completeness and truth of the assets under custody, replying to the Fund Manager and making correction within the specified period of time.

3. Whereas the Fund Manager discovers that the Fund Custodian is in material breach, the Fund Manager shall report to the CSRC in a timely manner and shall at the same time notify the Fund Custodian to make corrections within the specified period of time and shall report the correction results to the CSRC. Whereas the Fund Custodian, without proper reason, refuses or obstructs the other party to exercise the right of supervision pursuant to the provisions of the agreement, or prevents the other party from carrying out the effective supervision by means of delay, fraud, etc. and if the circumstances are serious or no correction is made despite of the warning of the Fund Manager, the Fund Manager shall report to the CSRC.

(IV) Safekeeping of the Fund's Assets

1. Principles for Safekeeping the Fund's Assets

- 1) The assets of the Fund shall be independent from the owned assets of the Fund Manager and the Fund Custodian.
- 2) The Fund Custodian shall safely keep the assets of the Fund. The Fund Custodian shall not utilise, dispose of and allocate any assets by himself/herself without the legal and compliant instructions made by the Fund Manager according to the legal proceedings.
- 3) The Fund Custodian shall open the capital account and the securities account for the assets of the Fund pursuant to the provisions.
- 4) The Fund Custodian shall set up separate accounts for different assets of the Fund under its custody to ensure the completeness and independence of the Fund's assets.
- 5) The Custodian shall safely keep the assets of the Fund according to the instructions given by the Fund Manager and pursuant to the Fund Contract and the agreed provisions of this Agreement. Both parties may otherwise negotiate for a solution under any special circumstance.
- 6) For the assets receivable incurred by the fund investment, the Fund Manager shall be responsible for confirming a credit date with the relevant parties and inform the Fund Custodian of the date. If the assets of the Fund did not arrive the Fund's

account on the credit date, the Fund Custodian shall, in a timely manner, notify the Fund Manager to take actions to call for payment. The Fund Custodian shall assume no liability on any losses on the Fund's assets arising therefrom.

- 7) The Fund Custodian shall not entrust any third party to engage in the custody of the Funds' assets unless otherwise provided by the Laws and Regulations and the Fund Contract.

2. Initial Offer Period of the Fund and Verification of Proceeds

- 1) The proceeds during the Initial Offer Period of the Fund shall be deposited into the Special Account for Fund Application opened by the Fund Manager at the commercial bank which is qualified for custody business. Such account shall be opened and managed by the Fund Manager.
- 2) Upon the expiry of the Initial Offer Period or the termination of offering of the Fund, and after the total amount of fund units, the amount of proceeds of the Fund's and the number of Unitholders have satisfied the relevant requirements of the *Funds Law* and *Measures on Operation*, the Fund Manager shall transfer all the funds attributable to the Fund's assets to the Fund's bank account opened by the Fund Custodian, and shall at the same time, engage an accounting firm with the professional qualification for securities and futures business to conduct the verification and issue the verification report within the specified period of time. To be valid, the verification report issued shall be signed by two or more PRC certified public accountants who have involved in the verification process.
- 3) In the event that the conditions for the Fund Contract taking effect are not met at the expiry of the Initial Offer Period of the Fund, the Fund Manager shall conduct the matter of refund, etc. according to the provisions and the Fund Custodian shall provide adequate assistance.

3. Opening and Management of the Fund's Capital Account

- 1) The Fund Custodian shall be responsible for opening and managing the Fund's capital account.
- 2) The Fund Custodian may open the Fund's capital account at its business institutions in the name of the Fund and process the receipt and payment of funds according the lawful and compliant instructions of the Fund Manager. The Fund Custodian shall safely keep and use the Fund's bank reserved seal. All the monetary receipts and payments of the Fund, including but not limited to investment and payment of redemption monies, payment of fund income, and receipt of subscription monies, shall be processed through the Fund's capital account.
- 3) The Fund's capital account shall be opened and used only for the purpose of satisfying the need of the business development of the Fund. Neither the Fund Custodian nor the Fund Manager shall open any other bank accounts in the name of the Fund, or use any accounts of the Fund to carry out any activities other than the business of the Fund.

- 4) The Fund's capital account shall be opened and managed in accordance with relevant provisions of the relevant Laws and Regulations.
 - 5) Subject to the compliance of the provisions in the Laws and Regulations, the Fund Custodian may process the payment of fund assets via the special account of the Fund Custodian.
4. Opening and Management of the Fund's Securities Account
- 1) The Fund Custodian shall open a securities account for the Fund at the Shanghai Branch and Shenzhen Branch of China Securities Depository and Clearing Company Limited in the joint name of the Fund Custodian and the Fund.
 - 2) The Fund's securities account shall be opened and used only for the purpose of satisfying the need of the business development of the Fund. Neither the Fund Custodian nor the Fund Manager shall lend or transfer, without authorisation and agreement from the other party, any securities accounts, or use any accounts of the Fund to carry out any activities other than the business of the Fund.
 - 3) The Fund Custodian shall, in the name of legal person of its own, open the settlement provisions account at China Securities Depository and Clearing Co., Ltd. and shall, on behalf of the fund under its custody, complete the primary legal clearing with China Securities Depository and Clearing Co., Ltd. and the Fund Manager shall offer active assistance in this process. The settlement provisions shall be collected pursuant to the provisions specified by China Securities Depository and Clearing Co., Ltd.
 - 4) The Fund Custodian shall be responsible for opening the securities account of the Fund and safekeeping the securities account card, and the Fund Manager shall be responsible for the management and application of the account assets.
 - 5) If the Fund is allowed to engage in the investment business of other investment categories which may involve in the opening and use of the relevant accounts after the effective date of the Fund Custody Agreement, the relevant accounts shall be opened, used and managed pursuant to relevant provisions. If there is no relevant provision, the Fund Custodian shall compare and comply with the above provisions relating to the opening and use of accounts.

5. Opening and Management of Custody Accounts of Bonds

After the Fund Contract comes into effect, the Fund Custodian shall open the custody and settlement accounts of bonds at the China Central Depository and Clearing Co., Ltd. pursuant to relevant provisions of the People's Bank of China and the China Central Depository and Clearing Co., Ltd., and shall make settlement of bonds in the interbank market on behalf of the Fund. The Fund Manager and the Fund Custodian shall sign the Master Agreement of Repurchase of Bonds in the National Interbank Bond Market both on behalf of the Fund.

6. Opening and Management of Other Accounts

- (1) The Fund Custodian shall be responsible for opening other accounts which are required to open for satisfying the need of business development in accordance with the Laws and Regulations and the provisions in the Fund Contract after the negotiation between the Fund Manager and the Fund Custodian. New accounts shall be used and managed pursuant to relevant rules.
- (2) Whereas the opening and management of relevant accounts are otherwise provided by the Laws and Regulations, such provisions shall apply.

7. Safekeeping of the Relevant Marketable Instruments Invested by the Assets of the Fund

The marketable instruments, such as relevant physical securities, certificates of fixed deposit of the bank, etc. which are invested by the assets of the Fund, shall be safely kept by the Fund Custodian, and the custody receipts shall be held by the Fund Custodian. The purchase or transfer of physical securities shall be processed by the Fund Custodian according to the instructions of the Fund Manager. The liabilities incurred by the damages and losses of the physical securities under the actual and effective control of the Fund Custodian during the safekeeping by the Fund Custodian shall be borne by the Fund Custodian. The Fund Custodian may not be liable for the securities under the actual and effective control of the institutions other than the custodian.

8. Safekeeping of Material Contracts Relating to the Assets of the Fund

The originals of the material contracts relating to the assets of the Fund which are signed by the Fund Manager on behalf of the Fund shall be kept by the Fund Manager and the Fund Custodian respectively. Unless otherwise specified herein, when the material contracts relating to the assets of the Fund are signed by the Fund Manager on behalf of the Fund, it is also ensured that two or more originals shall be kept by the Fund, so that the Fund Manager and the Fund Custodian shall respectively keep at least one original. The safekeeping period of the material contracts is 15 years upon the termination of the Fund Contract.

(V) Calculation and Review of the Fund Income and the NAV of the Fund

1. NAV of the Fund

The NAV of the Fund is the amount calculated by deducting liabilities from the Total Asset Value of the Fund. For both classes of fund units, the NAV per Fund Unit refers to the NAV of the Fund on the calculation date divided by the total number of fund units of the same class on the calculation date.

The NAV per Fund Unit means the NAV of the Fund is divided by the total number of the fund units. The NAV per Fund Unit shall be calculated with precision up to 0.001 Yuan and be rounded to the third decimal place and the difference incurred there from shall be included in the assets of the Fund. Whereas there are provisions otherwise provided by the State, such provisions shall be observed.

Codes are assigned to Class A Units and Class H Units of the Fund respectively, and the NAV per Fund Unit is calculated separately.

2. Procedures for Review

After the fund assets are valued by the Fund Manager on each Business Day, the Fund Manager shall send the result of the NAV per Fund Unit to the Fund Custodian, and the Fund Manager shall publish the result after the result has been reviewed and verified by the Fund Custodian.

(VI) Registration and Safekeeping of the Register of Unitholders

The Fund Manager and the Fund Custodian shall respectively safely keep the register of Unitholders, including the Effective Date of the Fund Contract, the termination date of the Fund Contract, the date of registration of the Fund interests, the date of registration of the interests of the Unitholders' meeting, the registers of the Unitholders as at June 30th and December 31st each year. The contents of the register of the Unitholders shall at least contain the name of the holders and the fund units held by them.

The register of the Unitholders shall be prepared by the Registrars, and shall be reviewed and submitted by the Fund Manager to the Fund Custodian for safekeeping. The Fund Custodian shall be entitled to request the Fund Manager to provide the register of the Unitholders on any one trading day or all trading days. The Fund Manager shall provide in time, and shall not delay or refuse to provide the same.

The Fund Manager shall submit the register of the Unitholders to the Fund Custodian in time. The register of the Unitholders as at June 30th and December 31st each year shall be submitted within ten Business Days before next month. The register of Unitholders relating to the dates of important events of the Fund, such as the Effective Date of the Fund Contract and the termination date of the Fund Contract, etc. shall be submitted within ten Business Days after the occurrence of such events.

The Fund Manager and the Fund Custodian shall safely keep the register of the Unitholders for a retention period of 15 years. The Fund Custodian shall not use the register of the Unitholders which is safely kept for the purposes other than the fund custody business, and shall observe the obligation of confidentiality obligation. If the Fund Manager and the Fund Custodian fail to safely keep the register of the Unitholders due to their own reasons, they shall assume the corresponding responsibilities respectively in accordance with the provisions of relevant Laws and Regulations.

(VII) Settlement of Disputes and Applicable Law

Both parties shall settle any disputes arising from or relating to this Agreement through negotiation or mediation. Whereas the disputes cannot be settled through negotiation or mediation, either party shall have the right to submit the disputes to the China International Economic and Trade Arbitration Commission for arbitration in Beijing according to the arbitration rules then in force of China International Economic and Trade Arbitration Commission. The arbitration award is final and binding on all the parties concerned.

During the settlement of disputes, both parties shall observe their respective duties and responsibilities as the Fund Manager and the Fund Custodian, continue to perform their obligations as set forth in the Fund Contract and this Custody Agreement faithfully, diligently and responsibly, and shall maintain the legitimate interests of the Unitholders.

This Agreement shall be governed by and interpreted under the laws of the PRC.

(VIII) Modification and Termination of the Custody Agreement

1. Modification Procedures of the Custody Agreement

Both parties to this Agreement may modify the Agreement after negotiation. The new Agreement after modification shall not be contradictory to the provisions of the Fund Contract. The modifications of the Fund Custody Agreement shall take effect after the submission to the CSRC for approval.

2. Circumstances for Termination of the Fund Custody Agreement

- 1) The Fund Contract is terminated;
- 2) The Fund Custodian is dissolved, legally withdrawn, in bankruptcy or the fund assets are taken over by other Fund Custodians;
- 3) The Fund Manager is dissolved, legally withdrawn, in bankruptcy or the fund management rights are taken over by other Fund Managers;
- 4) Other termination events stipulated by to the Laws and Regulations or the Fund Contract occur.

XXI. SERVICES TO UNITHOLDERS

The Fund Manager undertakes to provide a wide range of services to the Unitholders. The Fund Manager will increase or change the service items according to the needs of Unitholders, and the changes in the market. The main services are as follows:

(I) Delivery of materials

1. Account Statement of Fund Investors:

The Fund Manager will send the account statement in written or electronic form to the Unitholders involved in trading periodically or non-periodically.

2. Other relevant information

(II) Charging options

In appropriate occasions, the Fund Manager will provide Fund Investors with several charging modes for them to invest in the Fund, so as to meet the diversified investment demands of Fund Investors. See the relevant notice for the specific implementation method.

(III) Electronic trade services of the Fund

The Fund Manager will provide Fund Investors with electronic trade services. Investors may visit the website of the Fund Manager (www.cifm.com) for details.

(IV) Contact information

China International Fund Management Co., Ltd.

Consulting Hotline: 488 889 4888

Website: www.cifm.com

XXII. OTHER MATTERS TO BE DISCLOSED

1. China International Fund Management Co., Ltd. Announcement on Amendments to the Fund Contract of CIFM China Emerging Power Fund was issued on December 27, 2019
2. Announcement of China International Fund Management Co., Ltd. on Change in Senior Management was issued on 18 January 2020
3. Announcement of China International Fund Management Co., Ltd. on Change in Senior Management was issued on 23 January 2020
4. Announcement of China International Fund Management Co., Ltd. On Appointment of Senior Management was issued on 20 June 2020
5. Announcement of China International Fund Management Co., Ltd. on the Investment of the Funds of the Company of Non-publicly Issued Stocks was issued on 22 September 2020

The aforementioned announcements have been published via media outlets designated by the China Securities Regulatory Commission.

XXIII. AVAILABILITY AND INSPECTION OF THE PROSPECTUS

The Prospectus is kept in the offices or business locations of the Fund Manager and Fund Sales Agencies and can be accessed free of charge by the Fund Investors. After paying a handling charge, Investors may obtain a duplicate or a copy of the above documents within a reasonable time.

XXIV. DOCUMENTS AVAILABLE FOR INSPECTION

- (I) Documents for CIFM China Emerging Power Fund Offering Approved by the CSRC
- (II) Fund Contract of CIFM China Emerging Power Fund
- (III) Custody Agreement of CIFM China Emerging Power Fund
- (IV) Legal Opinion
- (V) Approval of the Fund Manager's professional qualification certificate and business license
- (VI) Approval of the Fund Custodian's professional qualification certificate and business license
- (VII) The Business Rules on Open-end Funds of China International Fund Management Co., Ltd.
- (VIII) Other documents required by the CSRC

The above documents available for inspection are kept in the offices or business locations of the Fund Manager and Fund Sales Agencies and can be accessed free of charge by the Fund Investors. After paying a handling charge, Investors may obtain a duplicate or a copy of the above documents within a reasonable time.

www.jpmorgan.com/hk/am/