

**PRODUCT KEY FACTS STATEMENT**  
**CCB International Fund Series**  
**CCB International – China Policy Driven Fund**  
**April 2019**

- ***This statement provides you with key information about CCB International – China Policy Driven Fund (the “Sub-Fund”).***
- ***This statement is a part of the offering document and must be read in conjunction with the Trust Prospectus, the Fund Specific Prospectus and the addenda (collectively, the “Prospectus”).***
- ***You should not invest in this product based on this statement alone.***

**Quick facts**

|   |   |
|---|---|
| <b>Manager:</b>                             | CCB International Asset Management Limited  |
| <b>Trustee and Registrar:</b>               | HSBC Institutional Trust Services (Asia) Limited  |
| <b>Dealing frequency:</b>                   | Every Business Day*   |
| <b>Base currency:</b>                       | Hong Kong Dollars (HK\$)  |
| <b>Dividend policy:</b>                     | The Manager does not intend to make cash distributions in respect of the Sub-Fund. Income earned by the Sub-Fund will be re-invested in the Sub-Fund and reflected in the value of its units. |
| <b>Financial year end of this Sub-Fund:</b> | 31 December   |
| <b>Minimum and additional investment:</b>   | HK\$ Class: HK\$1,000 (Units issued on or before 1 January 2016 are designated as HK\$ Class Units)   |
| <b>Ongoing charges over a year#:</b>        | HK\$ Class: 2.21%   |

\*Generally, “Business Day” is any day other than Saturday or Sunday on which banks in Hong Kong are open for normal banking business. Please refer to the Fund Specific Prospectus for the full definition of “Business Day”.

#The ongoing charges figure is based on expenses for the year ended 31 December 2018. This figure may vary from year to year.

**What is this product?**

CCB International – China Policy Driven Fund is a sub-fund of CCB International Fund Series which is an umbrella unit trust established under the laws of Hong Kong.

**Objective and Investment Policy**

**Objective**

The investment objective is to achieve long-term appreciation of the unit price through capital growth and income appreciation by investing in a diversified portfolio of equities and equity related securities, bonds that are listed primarily on the Hong Kong Stock Exchange and/or any securities exchange and can benefit from the policy(ies) in place and/or to be made by the government and/or statutory bodies of Mainland China, Hong Kong, Macau and Taiwan (subject to the investment restrictions applicable to the Fund, as set out in the Trust Prospectus).

**Investment Policy**

The Sub-Fund will invest in equities and equity related securities. These include, but are not limited to, fully-paid up shares listed on stock exchanges, over-the-counter markets or other organized securities markets that are open to the public and on which such securities are regularly traded ("**Recognized Stock Exchanges**"), convertible debt securities, and to a limited extent, Hong Kong authorised unit trusts and mutual funds, ADRs, and GDRs listed on Recognized Stock Exchanges and warrants listed on Recognized Stock Exchanges.

From time to time, the Sub-Fund may also invest (i) in bonds that are listed or quoted on any stock exchange, over-the-counter market or other organized securities markets that are open to the public and on which the bonds are regularly traded and (ii) directly into China A-Shares through Shanghai-Hong Kong Stock Connect and any other similar stock connect programme between another city of Mainland China and Hong Kong when it becomes available to and can be utilised by the Fund ("**Stock Connect**"). Exposure to China A-Shares through Stock Connect will not be more than 20% of the Net Asset Value of the Sub-Fund.

For the purpose of hedging and risk management of the portfolio, the Sub-Fund may use options, futures or warrants which are economically appropriate to the reduction of relevant risks or costs or to improve investment performance subject to any such transactions complying with the overall investment restrictions of the Sub-Fund.

The Sub-Fund may enter into futures, options and warrants contracts relating to financial instruments, provided that these transactions are conducted on a regulated market that operates regularly and is recognized and is open to the public. The Sub-Fund may also enter into forward purchase settlement transactions for the purpose of hedging with broker-dealers who make markets in these transactions.

**What are the key risks?**

***Investment involves risks.***

***Please refer to the Prospectus for details of the risk factors.***

**Principal risk**

- Investors should carefully consider all risk factors and all information provided in the Prospectus before investing in the Sub-Fund.
- The net asset value per unit of the Sub-Fund may fall or rise. There is no assurance that an investor will achieve a return on an investment in the Sub-Fund.
- Investors can lose money by investing in the Sub-Fund.

**Business conditions and general economy risk**

- The profitability of the Sub-Fund could be adversely affected by a worsening of general economic conditions.
- Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, amongst others, could significantly affect the activity level of investments by investors in the Sub-Fund and/or the investments by the Sub-Fund.

**Effect of government policy and regulation risk**

The investments of the Sub-Fund can be affected by various factors, including fiscal or other policies of government and regulatory authorities.

**Counterparty and settlement risk**

The Sub-Fund will be exposed to:

- (i) counterparty risk on parties with whom they trade and when placing cash on deposit.
- (ii) the risk of settlement default by a counterparty with which the Sub-Fund trades when buying and selling financial instruments.

**Risk factors in relation to investments within Mainland China**

- The Sub-Fund may be subject to the economic, political and social development and risks in or associated with Mainland China.
- Although the Chinese government has implemented economic reform measures, it is uncertain whether such reforms will benefit the performance of the Sub-Fund.

**Risks associated with Stock Connect**

- The Stock Connect is novel in nature. The relevant regulations are untested and subject to change which may have potential retrospective effect. There is no certainty as to how they will be applied.
- The Stock Connect is subject to quota limitations which may restrict the Sub-Fund's ability to invest in shares listed on the Shanghai Stock Exchange that are eligible for investment by Hong Kong and overseas investors via the Stock Connect ("**SSE Shares**") through the Stock Connect on a timely basis.
- Where a suspension in the trading through the Stock Connect is effected, the Sub-Fund's ability to access Mainland China market will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective could be negatively affected.
- Due to the differences in trading days, there may be occasions when it is a normal trading day for Mainland China market but the Sub-Fund cannot carry out any trading of SSE Shares. The Sub-Fund may be subject to a risk of price fluctuations in SSE Shares during the time when Stock Connect is not trading as a result.
- The Stock Connect requires the development of new information technology systems on the part of the stock exchanges and exchange participants and may be subject to operational risk. In the event that the relevant systems failed to function properly, trading in both markets through the Stock Connect could be disrupted. The Sub-Fund's ability to access to China A-Share market will be adversely affected.
- Investment through Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers' in their obligations. The deliveries of the relevant SSE Shares and payments may not be simultaneous.
- Trading in securities through the Stock Connect may be subject to clearing and settlement risk. Further, the Sub-Fund's investments through the Stock Connect are not covered by the Hong Kong's Investor Compensation Fund.

**Transactions in options, futures, warrants or forwards**

- For the purpose of hedging and risk management, the Sub-Fund may seek to protect the returns from its underlying assets by using options, futures, warrants or forwards, as such, may expose

the Sub-Fund to counterparty risk.

- The use of these instruments may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained will be achieved.

#### **Interest rate risk**

- The value of fixed income securities held by the Sub-Fund generally will vary inversely with changes in interest rates and such variation may affect the price of the units of the Sub-Fund.

#### **FATCA withholding risk**

- The U.S. tax provisions commonly known as the Foreign Account Tax Compliance Act ("FATCA") generally will impose a new 30% withholding tax with respect to certain payments received by CCB International Fund Series (for itself and for the Sub-Fund) unless CCB International Fund Series (for itself and for the Sub-Fund) reports certain information regarding its direct and indirect accountholders to the U.S. Internal Revenue Service and complies with an applicable intergovernmental agreement to implement FATCA. In the event that CCB International Fund Series (for itself or for the Sub-Fund) is not able to comply with the requirements imposed by FATCA and CCB International Fund Series and the Sub-Fund suffers withholding tax in relation to certain payments as a result of the non-compliance, the Net Asset Value of CCB International Fund Series and the Sub-Fund may be adversely affected and CCB International Fund Series and the Sub-Fund may suffer a significant loss as a result.

No assurance can be provided that CCB International Fund Series (for itself or for the Sub-Fund) will comply with FATCA. If CCB International Fund Series (for itself or for the Sub-Fund) does comply with FATCA, CCB International Fund Series (for itself or for the Sub-Fund) may be required to (i) withhold on certain payments made to a non-compliant investor or (ii) liquidate a non-compliant investor's interest in the Sub-Fund.

#### **Mainland China tax risk**

There are risks and uncertainties associated with the current Mainland China tax laws, regulations and practice in respect of capital gains realised via Stock Connect or access products on the Sub-Fund's investments in Mainland China (which may have retrospective effect). Any increased tax liabilities of the Sub-Fund may adversely affect the Sub-Fund's net asset value.

- Corporate Income Tax:

Under general PRC tax law, if the Sub-Fund is considered a Mainland China tax resident, it will be subject to Mainland China Corporate Income Tax ("CIT") at 25% on its worldwide taxable income. If the Sub-Fund is considered a non-Mainland China resident but has a permanent establishment ("PE") in Mainland China, the profits attributable to that PE would be subject to Mainland China CIT at 25%. If the Sub-Fund is a non-Mainland China resident without PE in Mainland China, the income derived by it from the investment in China A-Shares would in general be subject to 10% Mainland China CIT withholding in Mainland China, unless exempt or reduced under specific tax circulars or relevant tax treaty.

In respect of equity interest investments such as China A-Shares, the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission have promulgated circulars on 14 November 2014 to clarify the relevant corporate income tax liabilities. Pursuant to the Circular on the Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shanghai and Hong Kong Stock Markets, in respect of trading through the Stock Connect:

- CIT shall be exempt on a temporary basis on the gains earned by Hong Kong market investors (including corporate and individual investors) from the transfer of China A-Shares listed on the SSE; and

- Hong Kong market investors are required to pay tax on dividend and bonus of China A-Shares at a standard rate of 10%, which will be withheld and paid to the relevant Mainland China tax authority by the respective listed companies (before Hong Kong Securities Clearing Company Limited is able to provide details such as investor identities and holding periods to the China Securities Depository and Clearing Corporation Limited, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented).

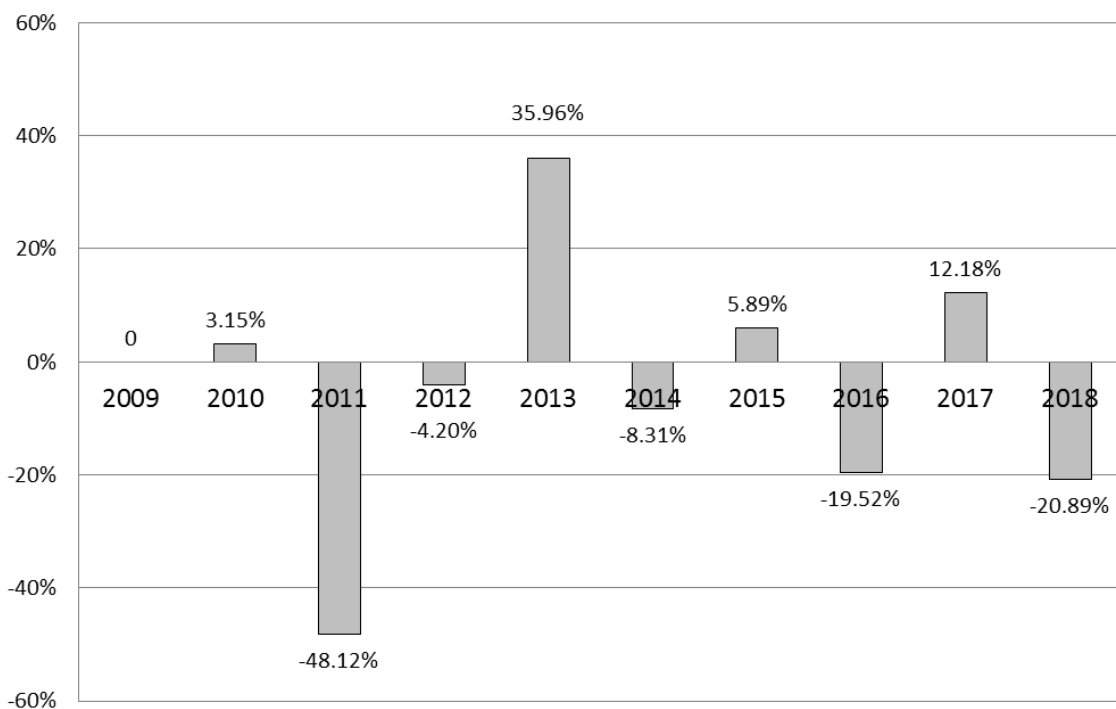
It is the intention of the Manager that the affairs of the Sub-Fund will be such that it is not Mainland China tax resident enterprises and have no PE in Mainland China for Mainland China CIT purposes, although this cannot be guaranteed.

- Business Tax ("BT"):

The Circular on the Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shanghai and Hong Kong Stock Markets has provided that, in respect of trading through the Stock Connect, BT shall be exempt on a temporary basis on the gains earned by Hong Kong market investors (including corporate and individual investors) from the sale and purchase of China A-Shares listed on the SSE.

Interest on both PRC government and corporate bonds in theory should be subject to 5% BT, although the collection of BT has not been enforced by Mainland China tax authorities so far on bond interest income received by non-resident enterprises derived from Mainland China.

### How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding subscription fee and redemption fee you might have to pay

- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 21 Jan 2009

### Is there any guarantee?

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

### What are the fees and charges?

#### Charges which may be payable by you

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

| Fee                | What you pay  |
|--------------------|---|
| Initial Charge*    | HK\$ Class: Up to 5% of the issue price of each unit      |
| Redemption Charge* | HK\$ Class: Up to 5% of the redemption price of each unit |
| Switching Charge** | HK\$ Class: Not applicable                                |

\* Please contact the authorised distributors of the Sub-Fund for details.

\*\* Switching currently is not permitted.

#### Ongoing fees payable by this product

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

| Fee  | Annual rate (as a % of the Net Asset Value of the Sub-Fund)   |
|--|---|
| Management Fee                             | HK\$ Class: Currently at a rate of 1.75%, subject to a maximum rate of 2.5%.  |
| Trustee Fee (including Administration Fee) | HK\$ Class: Up to 0.125% (subject to an annual minimum fee of US\$40,000)   |
| Registrar's Fee                            | HK\$ Class: US\$5,000 and transaction costs to cover each subscription, redemption or transfer and distribution of dividend (if any). |
| Performance Fee                            | HK\$ Class: Not applicable  |

Please refer to the Fund Specific Prospectus for details.

#### Other fees

You may have to pay other fees and charges when dealing in the units of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, as set out in the Prospectus.

### Additional Information

- You generally subscribe and redeem units at the Sub-Fund's next-determined net asset value after the Trustee receives your request in good order on or before 5:30 p.m. (Hong Kong time) on the relevant Dealing Day. If the subscription or redemption application is submitted via an authorised distributor, such authorised distributor may impose an earlier cut-off time than the

application deadline for receiving instructions for subscriptions or redemptions. You should confirm the arrangements with the authorised distributor(s) concerned.

- The net asset value of the Sub-Fund on each Dealing Day is normally calculated on the Business Day after that Dealing Day and published daily.

**Important**

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

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