PRODUCT KEY FACTS

MicroBit Bitcoin & Gold Value ETF (Listed Class)

A sub-fund established under the MicroBit Funds Series (Hong Kong) ETF OFC

20 August 2026

Issuer: MicroBit Capital Management Limited

- ***This is an active exchange traded fund (ETF) which directly holds bitcoin and gold futures.***
- ***The ETF's investment in bitcoin is subject to key risks such as extreme price volatility risk, custody risk, cybersecurity risk and fork risk.***
- ***The value of bitcoin could decline significantly in a short period of time, including to zero. For example, in 2020, the biggest single-day drop of the price of bitcoin was 39%[+]. You may lose all of your investment in bitcoin within one day.***
- ***The price movement of gold futures invested by the ETF may deviate significantly from the gold spot price.***
- ***This statement provides you with key information about this product.***
- ***This statement is a part of the Prospectus.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Stock code:	3002 (HKD Counter) 9002 (USD Counter)
Trading lot size:	50 Shares
Manager:	MicroBit Capital Management Limited
Custodian:	BOCI-Prudential Trustee Limited
Virtual Asset Sub-Custodian(s)^:	Hash Blockchain Limited acting via its associated entity HashKey Custody Services Limited
Virtual Asset Trading Platform(s) or VATP(s)^:	HashKey Exchange, operated by Hash Blockchain Limited
Administrator and Registrar:	BOCI-Prudential Trustee Limited
Ongoing charges over a year[#]:	2.5%
Base currency:	US dollars (USD)
Trading currency:	Hong Kong dollars (HKD) – HKD Counter US dollars (USD) – USD Counter
Dividend policy:	No distribution will be made.
Financial year end of this fund:	31 December
Company Website:	http://microbit.ai/ (which has not been reviewed or approved by the SFC)

[+] This is based on the daily price of bitcoin against USD on Bloomberg at GMT 00:00.

^ Please refer to the Manager's website at http://microbit.ai (which has not been reviewed or approved by the SFC) for the latest list of the Virtual Asset Sub-Custodian(s) and VATPs.

[#] This is indicative only as the Sub-Fund is newly set up. The estimated ongoing charges figure represents the estimated ongoing expenses chargeable to the Sub-Fund over a 12-month period expressed as a percentage of the estimated average **NAV** of the Listed Class of Shares over the same period. The actual figures may be different from the estimate and may vary from year to year. For the first 12-month period from the launch of the Sub-Fund, the ongoing charges figure is capped at 2.5% of the average NAV of the Sub-Fund. Any ongoing expenses exceeding 2.5% of the average NAV of the Sub-Fund during this period will be borne by the Manager and will not be charged to the Sub-Fund.

What is this product?

MicroBit Bitcoin & Gold Value ETF (the "**Sub-Fund**") is a sub-fund of MicroBit Funds Series (Hong Kong) ETF OFC (the "**Company**"), which is a public umbrella open-ended fund company established under Hong Kong law with variable capital with limited liability and segregated liability between sub-funds.

The Sub-Fund is an actively managed ETF falling under Chapter 8.10 of the Code on Unit Trusts and Mutual Funds ("**UT Code**").

The Sub-Fund offers both listed class of shares (the "**Listed Class of Shares**") and unlisted classes of shares (the "**Unlisted Classes of Shares**"). This statement contains information about the offering of the Listed Class of Shares, and unless otherwise specified references to "shares" in this statement shall refer to the Listed Class of Shares. Please refer to a separate statement for the offering of the Unlisted Classes of Shares.

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

Objective and Investment Strategy

Objective

The Sub-Fund's investment objective is to seek long-term capital appreciation by providing diversified exposure to both digital and traditional store-of-value assets, namely bitcoin and gold. There can be no assurance that the Sub-Fund will achieve its investment objective.

Strategy

The Sub-Fund will invest primarily (i.e., at least 70% of its Net Asset Value ("**NAV**")) in assets providing exposure to bitcoin and gold by employing two complementary strategies: a Bitcoin Strategy and a Gold Strategy (as defined below).

Through an active rebalancing strategy as discussed below, the Sub-Fund aims to maintain an equal allocation to both strategies, such that the Sub-Fund's notional exposure to (i) investments attributable to the Bitcoin Strategy and (ii) investments attributable to the Gold Strategy will each represent around 50% of the Sub-Fund's assets excluding Sub-Fund's holding of cash and cash-equivalents, such as U.S. Treasury bills and money market funds authorised under Chapter 8.2 of the UT Code or regulated in other jurisdictions in a manner generally comparable with the requirements of the SFC and acceptable to the SFC ("**investment assets**"). The aforementioned equal allocation is subject to a 10% buffer such that each strategy may represent between 40% to 60% of the Sub-Fund's investment assets.

Bitcoin Strategy

The Bitcoin Strategy seeks to provide exposure to bitcoin, in respect of the Sub-Fund, the value of which is measured by the CME CF Bitcoin Reference Rate – New York Variant ("**Valuation Benchmark**"). To achieve this objective, the Sub-Fund will invest predominantly in spot bitcoin and the Sub-Fund may also invest in spot bitcoin ETFs listed in Hong Kong and the U.S. ("**Bitcoin Strategy**").

The Sub-Fund's direct investment in bitcoin will be made on certain Virtual Assets' trading platforms that are operated by platform operators licensed by the SFC (the "**SFC-Licensed VATPs**") and all of the Sub-Fund's bitcoin will be held by the Virtual Asset Sub-Custodian(s). For the avoidance of doubt, "Virtual Asset" means any "virtual asset" as defined in section 53ZRA of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) of Hong Kong).

For the avoidance of doubt, the Sub-Fund shall not employ any forms of leverage with respect to Virtual Assets.

<u>Bitcoin</u>

Bitcoin is a Virtual Asset created and transmitted through the operations of a peer-to-peer network of computers that operates on cryptographic protocols, namely the Bitcoin Network. No single entity owns or operates the Bitcoin Network, the infrastructure of which is collectively maintained by its user base. Tokens of value, called bitcoin, are exchanged on the Bitcoin Network. Such transactions are recorded on a public transaction ledger known as the Bitcoin Blockchain. The value of bitcoin is determined by the demand for and supply of bitcoin on Virtual Asset's trading platforms or in private end-user-to-end-user transactions.

For the avoidance of doubt, "bitcoin" or "BTC" refers to the Virtual Asset based on an open-source cryptographic protocol existing on the Bitcoin Network. "Bitcoin Network" refers to Bitcoin Blockchain and any Virtual Asset's network, including the Bitcoin peer-to-peer network, and "Bitcoin Blockchain" refers to the blockchain ledger for bitcoin.

Gold Strategy

The Gold Strategy seeks to provide exposure to gold. To achieve this objective, the Sub-Fund will invest predominantly in gold futures traded on the Commodity Exchange, Inc. ("**COMEX**") (and/or micro gold futures and E-mini gold futures traded on the COMEX) (collectively, "**Gold Futures**") and the Sub-Fund may also invest in ETFs listed in Hong Kong and/or the U.S. the primary objective of which are to invest directly in gold ("**Gold Strategy**"). For the avoidance of doubt, the Sub-Fund does not invest directly in gold and will not receive any gold from Gold Futures traded on the COMEX.

In order to diversify concentration risk when pursuing the Gold Strategy, the Sub-Fund may hold a combination of front-month and subsequent-month Gold Futures (contracts with expiration dates later than that of front-month contracts).

The Sub-Fund may to invest up to 30% of its NAV in U.S. Treasury bills, money market funds, cash and cash equivalents, to serve as margin or collateralise the Sub-Fund's or investments in Gold Futures. Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially. For the avoidance of doubt, the Sub-Fund's notional exposure to Gold Futures will not exceed 50% of its NAV.

<u>Futures roll</u>

The Sub-Fund does not intend to hold Gold Futures through expiration but instead will "roll" its Gold Futures prior to expiration (i.e. closing out an existing Gold Futures which is about to expire and purchasing another Gold Futures with a later expiration date). The rollover of Gold Futures is conducted on a monthly basis, normally spreading over several days before the last trade day of the relevant Gold Futures, subject to market conditions. In determining whether to roll the Gold Futures, the Manager will also consider various factors including, but not limited to, the expected spread cost (single-day or weighted average for multi-day rolls) and prevailing liquidity/transaction cost indicators (bid–ask spread, depth, volume/open interest, expected slippage), as well as whether such rolling is in the best interests of the Sub-Fund and Shareholders. The Manager will optimise the rolling schedule to minimise rolling/transaction costs and manage liquidity risk. There is no guarantee that the rolling strategy will produce the desired results.

Active rebalancing of the Sub-Fund

In order to maintain the equal allocation between the Bitcoin Strategy and the Gold Strategy mentioned above, the Sub-Fund's portfolio holdings are systematically rebalanced at least monthly during each rollover of the Gold Futures. If the ratio between the Bitcoin Strategy and the Gold Strategy of the Sub-Fund exceeds the target range (i.e. 40% to 60% of the Sub-Fund's investment assets for each strategy) at any given trading day (due to factors such as material fluctuation/divergence in the prices of the underlying assets (bitcoin and gold)), the Manager will conduct rebalancing of the notional exposure attributable to the strategies immediately or on the following trading day with an aim to restore the equal allocation between the strategies.

The Manager intends to treat the ETFs in which the Sub-Fund may invest as listed securities for the purposes of and subject to the requirements in Chapters 7.1, 7.1A and 7.2 of the UT Code.

The Sub-Fund will not invest in derivatives other than Gold Futures (as explained above).

Currently, the Manager does not intend to enter into securities lending, sale and repurchase transactions or reverse repurchase transactions.

Use of derivatives / investment in derivatives

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

What are the key risks?

Bitcoin is a relatively new investment with limited history. It is subject to unique and substantial risks, and historically, has been subject to significant price volatility. The value of the Sub-Fund's investment in bitcoin could decline significantly in a short period of time and without warning, including to zero. Accordingly, you may lose a significant portion of your investment in the Sub-Fund within a single day. If you are not prepared to accept significant and unexpected changes in the value of the Sub-Fund and

the possibility that you could lose your entire investment in the Sub-Fund, you should not invest in the Sub-Fund.

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

1. Investment risk

The Sub-Fund is not principal guaranteed and investors' investments may suffer losses. There is no assurance that the Sub-Fund will achieve its investment objective.

2. Active investment management risk

The Manager employs an actively managed investment strategy for the Sub-Fund. The Sub-Fund does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. It may fail to meet its objective as a result of the Manager's selection of investments, and/or the implementation of processes which may cause the Sub-Fund to underperform as compared to other index tracking funds with a similar objective.

3. Risks relating to bitcoin

The Sub-Fund is exposed to the risks of bitcoin through its investments in bitcoin directly and spot bitcoin ETFs, and the risks which adversely affect the price of bitcoin may also affect the value of the Sub-Fund.

- ***Bitcoin and bitcoin industry risk**:* Bitcoin operates without central authority (such as a bank) and is not backed by any government. Bitcoin is a relatively new innovation and the market for bitcoin is subject to rapid price swings, changes and uncertainty. The further development and acceptance of the Bitcoin Network, which is part of a new and rapidly changing industry, is subject to a variety of factors that are difficult to evaluate and unforeseeable. The slowing, stopping or reversing of the development or acceptance of the Bitcoin Network may adversely affect the price of bitcoin and therefore cause the Sub-Fund to suffer losses.

- ***Speculative nature risk***: Investing in bitcoin is highly speculative, as it has limited track record and lacks intrinsic value. Its value is primarily driven by supply and demand dynamics within the bitcoin market and does not generate cash flows. Its market movements are also difficult to predict.

- ***Extremely high volatility risk***: An investment in bitcoin can be highly volatile compared to investments in traditional securities and an investment in the Sub-Fund may experience sudden and substantial losses. For example, the price of bitcoin dropped approximately 77% between November 2021 and November 2022, and in 2020, the biggest single-day drop of the price of bitcoin was 39%[+]. The value of the Sub-Fund's investments in bitcoin could decline significantly and may decline to zero, in a short period of time and without warning.

  Historically, the price of bitcoin has been extremely volatile, based on a variety of factors, including:

  - global demand and supply of bitcoin;
  - maintenance and development of the open-source software protocol of the Bitcoin Network;
  - competition from other Virtual Assets;
  - investor sentiments on the value or utility of bitcoin;
  - investors' confidence regarding the security and long-term stability of a Virtual Asset's network and its blockchain;
  - contagious effect on the price of bitcoin from incidents on Virtual Assets and their trading platforms, for example, the price of bitcoin dropped significantly following a series of events in 2022 including the collapse of FTX, one of the largest Virtual Asset's trading platforms at the material time.

- ***Unforeseeable risk*****:** Given the rapidly evolving nature of bitcoin, including advancements in the underlying technology, market disruptions and resulting governmental interventions that are unforeseeable, investors may be exposed to additional risks which are impossible to predict as of the date of this statement. This uncertainty makes an investment in the Sub-Fund speculative and subject to significant risk.

- ***Acceptance of bitcoin*****:** Despite that certain retailers have started to accept bitcoin as a form of payment in recent years, there is still relatively limited use of bitcoin for commercial and retail transactions. Price volatility undermines the ability of bitcoin as a medium of exchange, and a contraction of the use of bitcoin may result in a decrease in its value, which could adversely impact the NAV of the Sub-Fund.

- ***Concentration of ownership risk***: The largest bitcoin wallets are believed to hold, in aggregate, a significant percentage of the bitcoins in circulation. As a result of this concentration of ownership, large sales or distributions by such holders could have an adverse effect on the market price of bitcoin.

- ***Fraud, market manipulation and security failure risk***: Bitcoin may be subject to the risk of fraud, theft, manipulation or security failures, operational or other problems that impact Virtual Asset's trading platforms. In particular, the Bitcoin Network and entities that custody or facilitate the transfers or trading of bitcoin are vulnerable to various cyber attacks. The occurrence of any of the above may have a negative impact on the price of bitcoin and the value of the Sub-Fund's investments.

- ***Cybersecurity risks***: Bitcoin is susceptible to theft, loss and destruction. Bitcoin transactions are typically not reversible without the consent and active participation of the recipient of the transaction. The Bitcoin Network is also vulnerable to various deliberate cybersecurity attacks, such as hacking or malicious software coding for purposes of misappropriating information and assets or causing operational disruption. Cybersecurity risks of the bitcoin protocol and of entities that custody or facilitate the transfers or trading of bitcoin could result in a loss of public confidence in bitcoin and a decline in the value of bitcoin.

- ***Potential manipulation of Bitcoin Network risk***: The Bitcoin Network is currently vulnerable to a "51% attack" where, if a mining pool were to gain control of more than 50% of the "hash" rate (i.e. the amount of processing and computing power being given to the Bitcoin Network through mining), or the amount of computing and process power being contributed to the network through mining, a malicious actor would be able to gain full control of the network and the ability to manipulate the blockchain.

- ***Regulatory risk***: The regulation of bitcoin, Virtual Assets and related products and services continues to evolve. As bitcoin and Virtual Assets have grown in both popularity and market size, certain regulatory authorities have been examining the operations of Virtual Asset's trading platforms and service providers. Regulatory changes and actions with respect to Virtual Assets generally or any single Virtual Asset in particular may alter, perhaps to a materially adverse extent, the nature of an investment in the bitcoin.

- ***Internet risk***: Any technical disruptions or regulatory limitations that affect Internet access may have an adverse effect on the Bitcoin Network, the price of bitcoin and the value of the Sub-Fund.

- ***Fork risk***: Developers may propose modifications to the Bitcoin Network from time to time. If the updated Bitcoin Network is not compatible with the original bitcoin software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated Bitcoin Network, this would result in a "hard fork" of the Bitcoin Network, with one prong running the earlier version of the bitcoin software and the other running the updated bitcoin software, resulting in the existence of two versions of the Bitcoin Network running in parallel and a split of the blockchain underlying the Bitcoin Network. The occurrence of such "fork" may result in an adverse impact on the price and liquidity of bitcoin and the value of the Sub-Fund's investments. In the event of a "hard fork" of the Bitcoin Network, the Manager will (i) use its sole discretion to determine which network is generally accepted as the Bitcoin Network and should therefore be considered the appropriate network for the Sub-Fund's purposes; (ii) issue prior notice to the Sub-Fund's investors; and (iii) do such action which, in the opinion of the Manager, is in the best interests of the Sub-Fund's investors. There is no guarantee that the Manager will choose the network and the associated Virtual Asset that is ultimately the most valuable fork. This could therefore adversely impact the value of the Shares.

- ***Virtual Assets' trading platform risk in general and contagion risk***: Transactions of spot bitcoin of the Sub-Fund will be conducted through SFC-licensed VATPs only. The operation of Virtual Assets including bitcoin depends upon the centralised elements of the crypto ecosystem (for example, wallets and exchanges) which is exposed to concentration risks given its concentrated reliance on a few entities that handle more than half of the trading volumes. Therefore, the collapse of any major players in the crypto ecosystem may have contagious adverse effects on the values of Virtual Assets including bitcoin and the value of the Sub-Fund's investments. Furthermore, Virtual Assets' trading platforms are relatively new, and not all Virtual Assets' trading platforms are SFC-Licensed VATPs. For those that are not SFC-Licensed VATPs, they may be unregulated or only subject to light regulation (i.e. subject to none or minimal investor protection measures) in other jurisdictions. Virtual Assets' trading platforms have in the past, and may in the future, collapse, stop operating or temporarily or permanently shut down, due to fraud, cybersecurity issues, manipulation or security breaches. The potential consequences of failures of Virtual Assets' trading platforms could adversely affect the value of bitcoin and in turn the value of the Shares.

- ***Risk of illicit use***: As with any other asset class or medium of exchange, bitcoin can be used to purchase illegal goods, fund illicit activities or launder money. Negative events, developments, news and published opinions may affect the general outlook on the industry as a whole, trigger governmental restrictions and/or regulations in respect of bitcoin, and may have a material adverse effect on the Sub-Fund.

- ***Environment and energy consumption risk***: Environmental concerns relating to the mining of bitcoin may suppress the demand for bitcoin and the speed of its adoption in the market. These may hinder the broader and sustained acceptance of the Bitcoin Network and adversely impact the value of the bitcoin.

- ***Political or economic crisis risk:*** Political or economic crises may motivate large-scale acquisitions or sales of bitcoin, either globally or locally. Large-scale sales of bitcoin would result in a reduction in its price and adversely affect the value of an investment in the Sub-Fund.

4. Gold market risk

- The value of the Sub-Fund may be more susceptible to adverse conditions in the gold market. The gold price, and thus the prices of Gold Futures, is affected by numerous factors, including, but not limited to, global or regional political, economic or financial events and situations; investors' expectations with respect to the future rates of inflation and movements in world equity, financial and property markets; global gold supply and demand; interest rates and currency exchange rates; investment and trading activities of hedge funds, commodity funds and other speculators; and large scale sales of gold. Therefore, the gold price, and thus the prices of Gold Futures, may fluctuate widely.

5. Futures contracts risks

- ***Market risk:*** The use of futures contracts involves risks that are potentially greater than the risks of investing directly in securities and other more traditional assets. Although the Gold Futures market is relatively developed, the Sub-Fund is subject to a potential risk that it may not be able to terminate or sell positions. A liquid secondary market may not always exist for the Sub-Fund's positions at times when the Sub-Fund wishes to terminate or sell such positions.

- ***Volatility risk:*** The price of gold futures can be highly volatile and is influenced by, among other things, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and changing investor confidence in future fluctuations in the price of gold.

- ***Leverage risk:*** An extremely high degree of leverage is typical of a futures trading account as trading in futures contract does not typically involve upfront payment or receipt of the full notional value of the contract. As a result, a relatively small price movement in a Gold Futures may result in a proportionally high impact and substantial losses to the Sub-Fund, having a material adverse effect on the NAV. A futures transaction may result in significant losses in excess of the amount invested.

- ***Negative roll yields and "contango" risk:*** The Sub-Fund would be expected to experience negative roll yield if the futures prices of gold tend to be greater than the spot price of gold. Such roll costs may be potentially substantial. A market where futures prices are generally greater than spot prices is referred to as a "contango" market. Extended period of contango may cause significant and sustained losses to the Sub-Fund. The impact of contango on the Sub-Fund's performance may be greater than it would have been if the Sub-Fund rolled Gold Futures less frequently. Investors should note that save for the transaction cost incurred, "rolling" in itself is not a loss or return-generating event. The roll yield is typically realised over time.

- ***Margin requirement risk:*** Investing in Gold Futures generally involves the posting of margin. Additional funds may need to be posted as margin to meet margin calls based upon daily marking to market of the Gold Futures. Increases in the amount of margin or similar payments may result in the need for the Sub-Fund to liquidate its investments at unfavourable prices in order to meet margin calls. If the Sub-Fund is unable to meet its investment objective as a result of margin requirements imposed by the exchange and/or the Sub-Fund's brokers, the Sub-Fund may experience significant losses which may exceed the amount of the Sub-Fund's initial investment, and the investors may suffer substantial or total loss of their own investments.

- ***Failure of clearing house risk:*** In the event of the bankruptcy of the clearing house, the Sub-Fund could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the Sub-Fund would be afforded the protections granted to participants to transactions cleared through a clearing house under applicable laws. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt clearing house if the clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the Sub-Fund to recover all, or even any, of the amounts it has deposited as margin.

- ***Price limit risk:*** If the price of the Gold Futures in the Sub-Fund's portfolio hit certain price limits, depending on the time of the day and the limit being reached, the trading of the Gold Futures may be limited within the set price limits, suspended for a short period of time, or suspended for the remainder of the trading day. This may limit the Sub-Fund's ability to invest in Gold Futures.

- ***Holding of futures contracts restriction risk:*** The COMEX has position limits for Gold Futures of 6,000 contracts in the active month (single month) that become effective at the close of trading on the business day of the month prior to the delivery month. Accordingly, if the position held or controlled by the Manager reaches the relevant position limit or if the NAV of the Sub-Fund grows significantly, the above restriction may prevent creations of Shares due to the inability of the Sub-Fund to acquire further Gold Futures. This may cause a divergence between the trading price of a Share on the SEHK and the NAV per Share. The investment exposure could also deviate from the target exposure of the Sub-Fund. The position limit may have adverse impact to the Sub-Fund and may cause substantial loss to the Sub-Fund.

- ***Spot vs. futures risk:*** A Gold Futures is a standardised financial contract where the parties agree to deliver gold at a future date at a future price. Gold Futures may be settled physically or by cash. A spot market is a real time market where the transaction becomes effective immediately and the purchaser accepts delivery of, or immediately, resells the asset, e.g. gold. The Sub-Fund does not invest in the physical gold market, and the Sub-Fund is exposed to the potential risks involved of using Gold Futures which are speculative in nature from other investments.

- ***Risk of material non-correlation with spot price of gold:*** As the Sub-Fund invests in Gold Futures but not in gold, the performance of Gold Futures and therefore the performance of the Sub-Fund's Gold Strategy may differ significantly from the performance of the current market or spot price of gold. As such, the Sub-Fund's Gold Strategy may underperform a similar investment that is linked to the spot price of gold or direct investment in gold.

6. Bitcoin and gold concentration risk

As the exposure of the Sub-Fund is concentrated in the bitcoin market (via predominantly investing in spot bitcoin) and the gold market (via predominantly investing in Gold Futures), the value of the Sub-Fund is more susceptible to the effects of volatility in bitcoin or gold prices and adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting bitcoins or gold than more diversified funds. Any losses suffered as a result of a decrease in the value of bitcoin or gold can be expected to reduce the value of a Share in the Sub-Fund and will not be offset by other gains as they may be if the Sub-Fund were to invest in underlying assets that were diversified.

7. New product risk

The Sub-Fund is an ETF investing predominantly in spot bitcoin and Gold Futures. The novelty of the underlying assets of the Sub-Fund i.e. bitcoin makes the Sub-Fund potentially riskier than traditional ETFs investing in equity or debt securities. The Sub-Fund is also one of the first products investing primarily in both virtual assets (predominantly in spot bitcoin) and commodity futures (i.e. Gold Futures) in Hong Kong. The novelty of the Sub-Fund makes it riskier than traditional ETFs investing equities. Moreover, there is no guarantee that the service providers of the Sub-Fund (e.g. the participating dealer(s) and the market maker(s)) can perform their duties on an ongoing basis effectively.

8. Risks in relation to Virtual Asset Trading Platform(s)

- ***Liquidity risk:*** The Virtual Asset Trading Platform(s) where the Sub-Fund may acquire and dispose of bitcoin are still developing. Bitcoin traded on these Virtual Asset Trading Platform(s) may be subject to lower liquidity compared to other bitcoin trading venues. During such times the changes in the underlying market price of bitcoin may be infrequent but significantly large, and it may not be possible to unwind or transfer a particular transaction in a timely manner, at near the price the Sub-Fund would have expected, or at all, on these Virtual Asset Trading Platform(s). The lower liquidity may create larger bid-ask spreads and higher trading costs may be incurred accordingly. This could adversely affect the price of the Shares. There may also be a delay in the Sub-Fund's ability to invest in or dispose of its investments from these Virtual Asset Trading Platform(s).

- ***Licensing status:*** In the event that these Virtual Asset Trading Platform(s)' licence from the SFC is being revoked, terminated or otherwise invalidated by the SFC, the Sub-Fund may be prohibited from conducting transactions and acquisitions of bitcoin.

- ***Risk relating to difference between executable price of bitcoin on Virtual Asset Trading Platform(s) and Valuation Benchmark for cash subscription and redemption:*** The Valuation Benchmark may not be indicative of the executable price of bitcoin on the Virtual Asset Trading Platform(s). Investors should not therefore solely rely on the Valuation Benchmark in determining whether and when to subscribe or redeem. Where investors subscribe for Shares or redeem Shares in cash, the subscription amount or redemption amount will be based in part on the executable price of bitcoin on the Virtual Asset Trading Platform(s).

- ***Trading limit risk of Virtual Asset Trading Platform(s):*** Virtual Asset Trading Platform(s) may impose trading limits in buying and selling underlying Virtual Assets to comply with relevant capital requirements. In case the trading volume on a particular dealing day exceeds such trading limits, any orders exceeding that trading limit will have to be rolled over for trading on the next multiple dealing days. This may affect the Sub-Fund's ability to invest in or dispose of its investments from the Virtual Asset Trading Platform(s) in a timely manner, which may adversely affect the price of the Shares.

9. Custody risk

- ***Cybersecurity risk in relation to the custody of Virtual Assets***: While the Manager and/or the Custodian have conducted due diligence on the Virtual Asset Sub-Custodian(s) and believe there are security procedures in place for the Sub-Fund by the Virtual Asset Sub-Custodian(s), the Manager and/or the Custodian do not have control over the Virtual Asset Sub-Custodian(s)' security procedures. The security procedures in place for the custody of Virtual Assets may not be able to protect against all errors, software flaws or other vulnerabilities in the Sub-Fund's technical infrastructure, which could result in theft, loss or damage of the Sub-Fund's assets.
- ***Termination of Virtual Asset Sub-Custodian risk***: If the Virtual Asset Sub-Custodian fails to perform the functions for the Sub-Fund, the Sub-Fund may be unable to operate or create or redeem Shares, which could force the Sub-Fund to liquidate or adversely affect the price of the Shares. The Custodian may not be able to find a party willing to serve as a Virtual Asset Sub-Custodian of the Sub-Fund's bitcoin holdings under the same terms or at all. To the extent that the Custodian is not able to find a suitable party willing to serve as a Virtual Asset Sub-Custodian, the Manager may be required to terminate the Sub-Fund and liquidate the Sub-Fund's bitcoin.
- ***Inadequate sources of recovery risk***: Investors' recourse against the Company, the Sub-Fund, the Manager, the Custodian and the Virtual Asset Sub-Custodian(s) under Hong Kong law may be limited. The Sub-Fund itself and the Custodian do not insure the Sub-Fund's bitcoin holdings. The Custodian shall ensure that the Virtual Asset Sub-Custodian(s) will maintain a compensation arrangement approved by the SFC. However, such compensation arrangement of a Virtual Asset Sub-Custodian is shared among all clients of the Virtual Asset Sub-Custodian and is not specific to the Sub-Fund. It is therefore possible that the compensation arrangement of the relevant Virtual Asset Sub-Custodian may not be adequate to cover all bitcoin held by that Virtual Asset Sub-Custodian on behalf of the account of the Sub-Fund. Consequently, a loss may be suffered.

10. Differences in dealing arrangements between Listed and Unlisted Classes of Shares

- Investors of Listed and Unlisted Classes of Shares are subject to different pricing and dealing arrangements. The NAV per Share of each of the Listed and Unlisted Classes of Shares may be different due to different fees and costs applicable to each class. The trading hours for the secondary market on the SEHK applicable to the Listed Class of Shares and the dealing deadlines in respect of the Listed Class of Shares (on the primary market) or the Unlisted Classes of Shares are also different.
- Shares of the Listed Class of Shares are traded in the secondary market on the stock exchange on an intraday basis at the prevailing market price (which may diverge from the corresponding NAV per Share), while Shares of the Unlisted Classes of Shares are sold through intermediaries based on the dealing day-end NAV per Share and are dealt at a single valuation point with no access to intraday liquidity in an open market. Depending on market conditions, investors of the Unlisted Classes of Shares may be at an advantage or disadvantage compared to investors of the Listed Class of Shares.
- In a stressed market scenario, investors of the Unlisted Classes of Shares could redeem their shares at NAV per Share while investors of the Listed Class of Shares in the secondary market could only sell their shares at the prevailing market price (which may diverge from the corresponding NAV per Share) and may have to exit the Sub-Fund at a significant discount. On the other hand, investors of the Listed Class of Shares could sell their Shares in the secondary market during the day thereby crystallising their positions while investors of the Unlisted Classes of Shares could not do so in a timely manner until the end of the day.

11. Differences in cost mechanisms between Listed and Unlisted Classes of Shares risk

- Investors should note that different cost mechanisms apply to Listed Class of Shares and Unlisted Classes of Shares. For Listed Class of Shares, the transaction fee and duties and charges in respect of creation and redemption applications are paid by the participating dealers applying for or redeeming such Shares and/or the Manager. Investors of Listed Class of Shares in the secondary market will not bear such transaction fees and duties and charges (but for the avoidance of doubt, may bear other fees, such as SEHK trading fees).
- On the other hand, the subscription and redemption of Unlisted Classes of Shares may be subject to a subscription fee and redemption fee, respectively, which will be payable to the Manager by the investor subscribing or redeeming. In addition, in order to protect the interests of Shareholders of Unlisted Classes of Shares, in the event of substantial net subscriptions or net redemptions of an Unlisted Class of Shares of the

Sub-Fund and/or exceptional market circumstances, in addition to the Subscription Price and/or Redemption Price, the Manager may (in its absolute discretion and taking into account the best interests of the Shareholders) impose a fiscal charge to account for the impact of the related costs.

- Any or all of these factors may lead to a difference in the NAV of the Listed Class of Shares and the Unlisted Classes of Shares.

12. Trading risk

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

13. Trading hours differences risk

- Bitcoin is traded 24 hours a day, seven days a week, while the Shares traded on the SEHK are not. The COMEX and the SEHK also have different trading hours, and the COMEX may be open when Shares of the Sub-Fund are not traded and priced on the SEHK.
- As such, the value of the bitcoin or Gold Futures in the Sub-Fund's portfolio may change on such day or time when investors will not be able to purchase or sell the Sub-Fund's Shares. To the extent that the bitcoin or gold prices drop significantly during hours the SEHK is closed, investors may not be able to mitigate losses in a rapidly negative market.

14. Reliance on market makers risk

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

15. Early termination risk

The Sub-Fund may be terminated early under certain circumstances, for example, where the size of the Sub-Fund falls below USD5,000,000. Investors may not be able to recover their investments and may suffer a loss when the Sub-Fund is terminated. Investors should refer to the section "Termination (otherwise than by winding up)" in the Prospectus for further details.

16. Multi-counter risk

If there is any limitation on the level of services by brokers and HKSCC participants, holders of Shares will only be able to trade their Shares in one counter only, which may inhibit or delay an investor dealing. The market price of Shares traded in each counter may deviate significantly. As such, investors may pay more or receive less when buying or selling Shares traded in one counter on the SEHK than in respect of Shares traded in another counter and vice versa.

How has the fund performed?

Since the Sub-Fund is newly set up, there is insufficient data available to provide a useful indication of past performance to investors.

Is there any guarantee?

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

What are the fees and charges?

Please refer to the section "Fees and Expenses" of the Prospectus for details of other fees and expenses.

Charges incurred by you when trading the Sub-Fund on the SEHK

Fees	**What you pay**
Brokerage fee	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027%[1]
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015%[2]
SEHK trading fee	0.00565%[3]
Stamp duty	Nil

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

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

	Annual amount or annual rate (as a % of the Sub-Fund's NAV)
Management fee*	1.3%
Custodian fee (including fees payable to the Virtual Asset Sub-Custodian(s)) and Administrator fee	Up to 1% (subject to a minimum of USD5,000 per month)
Performance fee	Nil

** Please note that these fees may be increased up to a permitted maximum on giving one month's notice to the Shareholders. Please refer to the section of the Prospectus entitled "Fees and Expenses" for further details of the fees and charges payable and the permitted maximum of such fees allowed as well as other ongoing expenses that may be borne by the Sub-Fund.*

Other fees

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

Additional information

The Manager will publish important news and information with respect to the Sub-Fund on the Manager's website at http://microbit.ai (this website has not been reviewed by the SFC) including:

(a) the Prospectus and this statement (as revised from time to time);

(b) the latest annual and semi-annual financial reports (in English only);

(c) any notices for material alterations or additions to the Prospectus or the Sub-Fund's constitutive documents;

(d) any public announcements made by the Sub-Fund, including information with regard to the Sub-Fund, the notices of the suspension of the calculation of the NAV, changes in fees and the suspension and resumption of trading;

(e) the near real time indicative NAV per Share (updated every 15 seconds throughout each dealing day during SEHK trading hours) in USD and HKD;

(f) the last NAV of the Sub-Fund and last NAV per Share in USD and HKD (updated on a daily basis on each dealing day);

(g) the full portfolio information of the Sub-Fund on a monthly basis (updated within one month of the end of each month);

(h) the past performance information of both the Listed Class of Shares and Unlisted Classes of Shares of the Sub-Fund;

(i) the ongoing charges of both the Listed Class of Shares and Unlisted Classes of Shares of the Sub-Fund; and

(j) the latest list of VATP(s), Virtual Asset Sub-Custodian(s), participating dealer(s) and market maker(s).

The near real time indicative NAV per Share is indicative and for reference only. The near real time indicative NAV per Share in HKD is updated every 15 seconds during SEHK trading hours using the near real time indicative NAV per Share in USD multiplied by a real-time HKD:USD foreign exchange rate calculated by Solactive AG.

The last NAV per Share in HKD is indicative and for reference only and is calculated using the last NAV per Share in USD multiplied by the foreign exchange rate (Tokyo Composite) quoted by Bloomberg for Hong Kong dollars at

4:00 p.m. (Hong Kong time) on that dealing day.

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.

The Company has been registered with the SFC as an open-ended fund company. The Company and the Sub-Fund have been authorised as collective investment schemes by the SFC. SFC registration and authorisation do not represent a recommendation or endorsement of the Company or the Sub-Fund nor do they guarantee the commercial merits of the Company, the Sub-Fund or their performance. They do not mean the Company or the Sub-Fund is suitable for all investors nor do they represent an endorsement of their suitability for any particular investor or class of investors.