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PRIVATE PLACEMENT MEMORANDUM

Dated: 20 December 2022¹

China Emerging Compounders Fund Limited

(a company limited by shares incorporated in the British Virgin Islands on 17 January 2022)

PRIVATE OFFERING
Participating, Redeemable, Non-Voting Shares
At an Initial Offering Price
of US\$10,000 per Share

Investment Manager:
Guangdong Jingcheng Private Offered Fund Management Co., Ltd.
广东璟诚私募基金管理有限公司

This Private Placement Memorandum is strictly confidential and is supplied for the exclusive use of the recipient. Under no circumstances should it be copied or distributed to any other person other than the recipient's accounting, investment, legal, tax or other advisers.

THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO SUBSCRIBE FOR SHARES IN THE FUND IN ANY JURISDICTION OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SALE. AN INVESTMENT IN THE FUND IS SPECULATIVE AND IS NOT INTENDED AS A COMPLETE INVESTMENT PROGRAM. THIS PRIVATE PLACEMENT MEMORANDUM SHALL NOT BE REDISTRIBUTED, REPRODUCED, DISPLAYED IN THE PUBLIC, USED OR CIRCULATED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE.

Name of Offeree: _____

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¹First published on 18 March 2022

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China Emerging Compounders Fund Limited

DIRECTORY

Fund Registered Office Address: c/o Aegis International Group Limited of Coastal Building, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, VG1110, British Virgin Islands	Fund Registered Agent: Aegis International Group Limited
Investment Manager: Guangdong Jingcheng Private Offered Fund Management Co.,Ltd. 广东璟诚私募基金管理有限公司 Room 105, No. 6, Baohua Road, Hengqin New District, Zhuhai, Guangdong Province, China	Directors of Investment Manager: Wei Feng Room 105, No. 6, Baohua Road, Hengqin New District, Zhuhai, Guangdong Province, China
Directors of the Fund: MA Chengqiong c/o Aegis International Group Limited of Coastal Building, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, VG1110, British Virgin Islands WANG Qigui c/o Aegis International Group Limited of Coastal Building, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, VG1110, British Virgin Islands	Administrator, Transfer Agent and Registrar: NuBright Fund Services Limited 19/F Chinachem Tower, 34-37 Connaught Road Central, Hong Kong
BVI Legal Counsel: Loeb Smith (BVI) Ltd. 6 th Floor, Water's Edge Building 1, Wickham's Cay 1, Road Town, Tortola BVI	Auditor: Baker Tilly China 13rd Floor, Jinmao Tower 88 Century Avenue Shanghai, China Tel: +8621 51028018 Fax: +8621 58402702 www.tzcpa.com

IMPORTANT INFORMATION

This Private Placement Memorandum is distributed on a confidential basis in connection with a private placement of the Participating Shares in the capital of China Emerging Compounders Fund Limited, a business company incorporated in the British Virgin Islands with limited liability (the "**Fund**"). None of the Participating Shares of the Fund will be issued to any person other than a person to whom a copy of this Private Placement Memorandum is provided.

No person receiving a copy of this Private Placement Memorandum in any jurisdiction may treat the same as constituting an invitation to him, her or it, unless in the relevant jurisdiction such an invitation may lawfully be made to him without compliance with any registration or other legal requirements.

INVESTMENT WARNING TO INVESTORS AND POTENTIAL INVESTORS

THE FUND HAS BEEN ESTABLISHED AS A "PROFESSIONAL FUND" WITHIN THE MEANING OF THE BRITISH VIRGIN ISLANDS SECURITIES AND INVESTMENT BUSINESS ACT, 2010 ("SIBA").

(A) THE FUND IS ONLY SUITABLE FOR "PROFESSIONAL INVESTORS", AS DEFINED UNDER SIBA;

(B) A MINIMUM INITIAL INVESTMENT OF US\$100,000 (OR SUCH LARGER SUM AS MAY APPLY WITH RESPECT TO THE FUND), IS REQUIRED BY EACH INVESTOR, OTHER THAN "EXEMPTED INVESTORS", AS DEFINED UNDER SIBA;

(C) THE FUND IS NOT SUBJECT TO SUPERVISION BY THE FINANCIAL SERVICES COMMISSION (THE "COMMISSION") OR BY A REGULATOR OUTSIDE THE BRITISH VIRGIN ISLANDS AND THE REQUIREMENTS CONSIDERED NECESSARY FOR THE PROTECTION OF INVESTORS THAT APPLY TO "PUBLIC FUNDS", AS DEFINED UNDER SIBA, DO NOT APPLY TO PROFESSIONAL FUNDS;

(D) AN INVESTOR IN A PROFESSIONAL FUND IS SOLELY RESPONSIBLE FOR DETERMINING WHETHER THE FUND IS SUITABLE FOR HIS INVESTMENT NEEDS; AND

(E) BY REASON OF THE ABOVE, INVESTMENT IN A PROFESSIONAL FUND MAY PRESENT A GREATER RISK TO AN INVESTOR THAN INVESTMENT IN A PUBLIC FUND.

NO PERSON SHALL BE ACCEPTED AS AN INVESTOR IN THE FUND UNLESS THAT PERSON HAS PROVIDED A WRITTEN CONFIRMATION THAT HE IS A PROFESSIONAL INVESTOR WITHIN THE MEANING OF SIBA AND A WRITTEN ACKNOWLEDGEMENT THAT HE HAS RECEIVED, UNDERSTOOD AND ACCEPTED THIS INVESTMENT WARNING.

NEITHER THE BRITISH VIRGIN ISLANDS GOVERNMENT NOR THE FINANCIAL SERVICES COMMISSION IN THE BRITISH VIRGIN ISLANDS HAS PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM.

The non-voting, redeemable, participating shares with par value of US\$1.00 per share (the "**Participating Shares**") to be issued, which may be denominated in U.S. Dollars, available for purchase by prospective investors are offered only on the basis of the information and representations contained in this Private Placement Memorandum, and any other information given or representations made by any person should not be considered as being authorised by the Fund and should not be relied on.

The Directors, whose name appears on page 3, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Private Placement Memorandum is in accordance

with the facts and does not omit anything likely to affect materially the import of such information. The Directors accept responsibility accordingly.

Certain information contained in this Private Placement Memorandum constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth in “Risk Factors,” actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

The contents of this Private Placement Memorandum are not to be construed as a recommendation or advice to any prospective investor in relation to the subscription, purchase, holding or disposition of Participating Shares and prospective investors should consult their professional advisers accordingly.

This Private Placement Memorandum is intended solely for the use of the person to whom it has been delivered for the purpose of evaluating a possible investment by the recipient in the Participating Shares. It is not to be reproduced in any form or manner nor is it to be distributed or disclosed to any other persons (other than professional advisers of the prospective investor).

No person is authorised to give any information or make any representation or warranty, express or implied, not contained in this Private Placement Memorandum and, if given or made, any such information or representation or warranty, express or implied, may not be relied upon as having been authorised by any person.

By accepting receipt of this Private Placement Memorandum, each prospective investor agrees not to duplicate or to furnish copies of this Private Placement Memorandum to persons other than such offeree’s accounting, investment, legal, tax or other advisers and agrees to return this Private Placement Memorandum to the Fund promptly after such time as such offeree is no longer considering an investment in Participating Shares.

RELiance ON PRIVATE PLACEMENT MEMORANDUM

Only Participating Shares are offered pursuant to this Private Placement Memorandum. The Participating Shares are offered solely on the basis of the information and representations contained in this Private Placement Memorandum and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or its Directors. No person has been authorised in connection with this offering to give any information or to make any representations other than as contained in this Private Placement Memorandum. Statements in this Private Placement Memorandum are made as of the date hereof. Neither the delivery of this Private Placement Memorandum nor the allotment or issue of Participating Shares, under any circumstances, create any implication that there has been no change in the affairs of the Fund since the date hereof. The information contained in this Private Placement Memorandum has been compiled from sources believed to be reliable. The Fund does not assume any obligation to correct or update the historical or forward-looking information contained in this Private Placement Memorandum.

Only Eligible Investors (as defined herein) may apply for the Participating Shares that are the subject of this offering.

This offering involves substantial risks which should be carefully reviewed. This Private Placement Memorandum is provided for information only and is not intended to be and must not be taken as the basis for an investment decision. In making an investment decision, prospective investors must rely on their own examination of the Fund and the terms of the offering, including the merits and risks involved, as reflected in the documents referred to herein. Prospective investors are not to construe the contents of this Private Placement Memorandum as constituting tax, financial, investment or legal advice. Prior to purchasing any Participating Shares, a prospective investor should consult with his, her or its own legal, business and tax advisors to determine the appropriateness and consequences of an investment in the Fund for such investor and arrive at an independent evaluation of such investment. Disclosure of past performance of the Investment Manager of the Fund or any of their respective team members is not predictive of future results and should not be relied upon in making an investment decision. The Participating Shares are suitable only for sophisticated investors for whom an investment in the Fund does not constitute a complete investment program and who fully understand, are willing to assume and have the financial resources necessary to withstand the risks involved in the investment program in which the Fund will engage.

REGULATION IN THE BRITISH VIRGIN ISLANDS

THE FUND FALLS WITHIN THE DEFINITION OF A "MUTUAL FUND" AS SUCH TERM IS DEFINED IN SECTION 40 OF THE SECURITIES INVESTMENT BUSINESS ACT, 2010 OF THE BRITISH VIRGIN ISLANDS AS AMENDED ("SIBA") AND IS RECOGNIZED BY THE FINANCIAL SERVICES COMMISSION OF THE BRITISH VIRGIN ISLANDS (THE "COMMISSION") AS A PROFESSIONAL FUND PURSUANT TO SECTION 55 OF SIBA ON THE BASIS THAT THE FUND INTERESTS OF THE FUND SHALL BE ISSUED ONLY TO PROFESSIONAL INVESTORS; AND THE INITIAL INVESTMENT OF EACH INVESTOR IN THE FUND, OTHER THAN EXEMPTED INVESTORS, SHALL BE NOT LESS THAN US\$100,000 (OR ITS EQUIVALENT IN ANOTHER CURRENCY) AND HAS OBTAINED A CERTIFICATE OF RECOGNITION FROM THE COMMISSION AND IS REGISTERED IN THE REGISTER OF PROFESSIONAL FUNDS MAINTAINED BY THE COMMISSION.

THE FUND IS REQUIRED TO FILE ANNUALLY WITH THE COMMISSION FINANCIAL STATEMENTS AUDITED BY A FIRM OF AUDITORS, TOGETHER WITH A RETURN CONTAINING PARTICULARS SPECIFIED BY THE COMMISSION, WITHIN SIX (6) MONTHS OF THE FUND'S FINANCIAL YEAR END OR WITHIN SUCH EXTENSION OF THAT PERIOD AS THE COMMISSION MAY ALLOW. A PRESCRIBED FEE IS REQUIRED TO BE PAID ANNUALLY IN RESPECT OF THE CONTINUED RECOGNITION OF THE FUND WITH THE COMMISSION.

THE FUND'S ACTIVITIES ARE NOT APPROVED OR GUARANTEED BY THE COMMISSION OR BY THE BRITISH VIRGIN ISLANDS GOVERNMENT AND NEITHER THE COMMISSION NOR THE BRITISH VIRGIN ISLANDS GOVERNMENT HAS ANY OBLIGATION TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDIT WORTHINESS OF THE FUND. THE COMMISSION SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE FUND OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

A MUTUAL FUND RECOGNISED BY THE COMMISSION DOES NOT CONSTITUTE AN OBLIGATION OF THE COMMISSION TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND.

FURTHERMORE, IN ISSUING SUCH A CERTIFICATE OF RECOGNITION IN RESPECT OF A FUND, THE COMMISSION SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE FUND OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY PROSPECTUS OR OFFERING DOCUMENT.

NEITHER THE COMMISSION NOR ANY OTHER GOVERNMENTAL AUTHORITY IN THE BRITISH VIRGIN ISLANDS HAS COMMENTED UPON OR APPROVED THE TERMS OR MERITS OF THIS DOCUMENT. THERE IS NO INVESTMENT COMPENSATION SCHEME AVAILABLE TO INVESTORS IN THE BRITISH VIRGIN ISLANDS.

THIS PRIVATE PLACEMENT MEMORANDUM MAY BE TRANSLATED INTO OTHER LANGUAGES. WHERE THIS PRIVATE PLACEMENT MEMORANDUM HAS BEEN SO TRANSLATED AND ANY AMBIGUITY OR INCONSISTENCY ARISES BETWEEN THE ENGLISH VERSION OF THIS PRIVATE PLACEMENT MEMORANDUM AND A VERSION OF THE PRIVATE PLACEMENT MEMORANDUM TRANSLATED INTO ANOTHER LANGUAGE, THE PROVISIONS OF THE ENGLISH VERSION SHALL PREVAIL. ALL DISPUTES AS TO THE TERMS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE BRITISH VIRGIN ISLANDS.

THIS PRIVATE PLACEMENT MEMORANDUM IS BASED ON LAW AND PRACTICE CURRENTLY IN FORCE IN THE TERRITORY OF THE BRITISH VIRGIN ISLANDS AND IS SUBJECT TO CHANGES THERETO.

RESTRICTIONS ON DISTRIBUTION

British Virgin Islands: No offer or invitation may be made to the public in the BVI to subscribe for Participating Shares. This Private Placement Memorandum shall not constitute an offer, invitation or solicitation to any member of the public in the BVI to subscribe for any Participating Shares.

Cayman Islands: No offer or invitation may be made to the public in the Cayman Islands to subscribe for Participating Shares. This Private Placement Memorandum shall not constitute an offer, invitation or solicitation to any member of the public in the Cayman Islands to subscribe for any Participating Shares. Interests in the Fund may be beneficially owned by persons resident, domiciled, established, incorporated or registered pursuant to the laws of the Cayman Islands. The Fund, however, will not undertake business with the public in the Cayman Islands other than so far as may be necessary for the carrying on of the business of the Fund exterior to the Cayman Islands. "Public" for these purposes does not include (i) any limited liability company registered under the Limited Liability Companies Act (As Revised), (ii) any exempted company or ordinary non-resident company registered under the Cayman Islands Companies Act (As Revised), (iii) a foreign company registered pursuant to Part IX of the Cayman Islands Companies Act (As Revised), (iv) any such company acting as general partner of a partnership registered under Section 9(1) of the Cayman Islands Exempted Limited Partnership Act (As Revised), (v) any director or officer of the same acting in such capacity, or (vi) the trustee of any trust registered or capable of registration under Section 74 of the Trusts Act (As Revised) acting in such capacity.

Hong Kong: WARNING: THE CONTENTS OF THIS DOCUMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS DOCUMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

As this Private Placement Memorandum issued by or on behalf of the Fund has not been approved by the Securities and Futures Commission in Hong Kong:

- (a) a Shareholder must be a “professional investor” (as such term is defined in Part I of Schedule 1 to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”) and the regulations thereunder, or the issue of this Private Placement Memorandum is made in circumstances that do not constitute an invitation to the public for the purposes of the SFO;
- (b) the Participating Shares in the Fund have been offered to them in the manner contemplated in the subscription documents and this Private Placement Memorandum and in circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (“**Companies Winding Up Ordinance**”) and do not constitute an offer or an invitation to the public for the purposes of the Companies Winding Up Ordinance; and
- (c) the Shareholder has not been issued and does not possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Participating Shares in the Fund which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Participating Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors..

China: No invitation to offer, or offer for, or sale of, the Participating Shares will be made to the public in China (which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan) or by any means that would be deemed public under the laws and regulations of China. None of the Private Placement Memorandum, subscription documents or any other materials issued by or on behalf of the Fund has been submitted to or approved by the China Securities Regulatory Commission or any other relevant governmental authorities in China. The Participating Shares may only be offered or sold to experienced and professional Chinese investors who are capable of identifying and tolerating the risks and who will consult their advisers and take all relevant factors into account before making an investment.

Japan: Investors should note that no public offering of Participating Shares in the Fund may be made in Japan unless a securities registration statement pursuant to Articles 4 and 5 of the Securities and Exchange Law of Japan (“**SEL**”) has been filed with the Director of Kanto Local Finance Bureau of the Ministry of Finance of Japan and a registration pursuant to the Law concerning Investment Trusts and Investment Corporations of Japan as amended (“**Investment Trust Law**”) has been filed with the Commissioner of the Financial Services Agency of Japan. The Investment Manager has not filed and has no intention to file, such securities registration statements for a public offering in Jap.

Singapore: The offer or invitation of the Participating Shares which is the subject of this Private Placement Memorandum does not relate to a collective investment scheme which is authorized under Section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or recognised under Section 287 of the SFA. The Fund is not authorized or recognised by the Monetary Authority of Singapore (the “**MAS**”) and Participating Shares are not allowed to be offered to the retail public. Each of this Private Placement Memorandum and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This Private Placement Memorandum has not been registered as a prospectus with MAS. Accordingly, this Private Placement Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Participating Shares may not be circulated or distributed, nor may Participating Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section

304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions, specified in Section 305 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Participating Shares are subscribed or purchased under Section 305 by a relevant person which is:

- (A) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (B) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six (6) months after that corporation or that trust has acquired the Participating Shares pursuant to an offer made under Section 305 except:

- (1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 305A(5) of the SFA; or
- (5) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

Taiwan: The Fund has not been registered with or authorised by the Securities and Futures Bureau of the Taiwan Financial Supervisory Commission ("**Supervisory Commission**") and accordingly may not be offered to the public in Taiwan. Accordingly, no general advertisement or public solicitation in respect of the Participating Shares may take place in Taiwan. The Participating Shares in the Fund may be offered or distributed by way of a private placement in Taiwan to certain qualified investors pursuant to the relevant provisions and requirements of the Securities Investment Trust and Consulting Law ("**SITC Law**"), Articles 52 to 54 of the Regulations Governing Offshore Funds (the "**Regulations**") and by virtue of an order issued by the Supervisory Commission pursuant to Article 11 of the SITC Law. Accordingly, any offer of Participating Shares by way of private placement must comply fully with the applicable laws and regulations in Taiwan. Any recipient of this Private Placement Memorandum shall not distribute it or otherwise promote the Fund in Taiwan and no person in Taiwan other than the person to whom the copy of this Private Placement Memorandum has been addressed may treat the same as constituting an invitation to him to invest.

United Kingdom: This Private Placement Memorandum is not available to the general public in the United Kingdom. The Fund is not a recognized collective investment scheme for the purposes of the Financial Services and Markets Act 2000 as amended of the United Kingdom (the "**Act**"). The promotion of the Fund and the distribution of this Private Placement Memorandum in the United Kingdom is accordingly restricted by law. This Private Placement Memorandum is being issued in the United Kingdom by the Fund where permitted by applicable law and regulation and by Financial Risk Management Limited (which is regulated by the Financial Conduct Authority of the United Kingdom (the "**FCA**")) to persons who are of a kind to whom the Fund may lawfully be promoted by a person authorised under the Act by virtue of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 and Annex 5 to Chapter 3 of the FCA's Conduct of Business Sourcebook or as otherwise permitted by applicable law and regulation. The Fund is not regulated by the FCA and investors may not have the benefit of the Financial Services Compensation Scheme of the United Kingdom and other protections afforded by the Act or any of the rules and regulations made thereunder.

United States: The Participating Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or the securities laws of any of the States of the United States. The Participating Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "**U.S. Person**" except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable State laws.

The Participating Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the United States in reliance on Regulation D promulgated under the 1933 Act and Section 4(a)(2) thereof.

The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "**1940 Act**") since Participating Shares will only be sold to U.S. Persons who are "qualified purchasers", as defined in the 1940 Act. Each subscriber for Participating Shares that is a U.S. Person will be required to certify that it is either an "accredited investor" and/or a "qualified purchaser", in each case as defined under applicable US federal securities laws.

There is no public market for the Participating Shares and no such market is expected to develop in the future. The Participating Shares offered hereby are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the 1933 Act and applicable State securities laws pursuant to registration or exemption therefrom.

Pursuant to an exemption from registration as a commodity pool operator set forth in United States Commodity Futures Trading Commission (the "**CFTC**") Rule 4.13(a)(3), the Investment Manager is not required to register, and is not registered, as a commodity pool operator under the United States Commodity Exchange Act, as amended (the "**CEA**"). The Fund may only accept subscriptions from US investors who are accredited investors, as defined in Regulation D under the 1933 Act, certain family trusts and certain persons affiliated with the Investment Manager. At all times, the Fund will utilise commodity interest positions such that either (1) no more than 5% of its assets are used to establish commodity interest positions or (2) the aggregate net notional value of its commodity interest positions does not exceed 100% of the Fund's liquidation value.

Consequently, unlike a registered commodity pool operator, the Investment Manager is not required to provide subscribers for Participating Shares with a disclosure document or a certified annual report. This Private Placement Memorandum has not been, and is not required to be, filed with the CFTC, and the CFTC has not reviewed or approved this Private Placement Memorandum or the offering of Participating Shares.

The Participating Shares are suitable only for sophisticated investors who do not require immediate liquidity for their investments, for whom an investment in the Fund does not constitute a complete investment program and who fully understand and are willing to assume the risks involved in the Fund's investment program. The Fund's investment practices, by their nature, may be considered to involve a substantial degree of risk. Subscribers for Participating Shares must represent that they are acquiring the Participating Shares for investment.

This Private Placement Memorandum does not constitute an offer or solicitation in any State or other jurisdiction in which an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Private Placement Memorandum has not been and will not be filed with or approved or disapproved by any regulatory authority of the United States or any State thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Private Placement Memorandum. Any representation to the contrary is unlawful. There will be no public offering of the Participating Shares in the United States.

This Private Placement Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Fund, and should not be reproduced or used for any other purpose.

Generally: The distribution of this Private Placement Memorandum and the offering of Participating Shares may be restricted in certain jurisdictions. The above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Private Placement Memorandum and wishing to make application for Participating Shares to inform themselves of, and to observe, all applicable laws.

The investment strategies which will be used by the Investment Manager for investments by the Fund may be highly profitable with expected high returns; however investors should note that these strategies also have a high degree of risk.

THE PARTICIPATING SHARES INVOLVE SIGNIFICANT RISK AND ARE SUITABLE ONLY FOR INVESTORS OF SUBSTANTIAL MEANS WHO HAVE NO NEED FOR IMMEDIATE LIQUIDITY IN THEIR

INVESTMENTS. SEE "RISK FACTORS" HEREIN. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

Risk Factors

The investment strategies which will be used by the Investment Manager for investments by the Fund may be highly profitable with expected high returns; however investors should note that these strategies also have a high degree of risk, including certain risk factors.

DEFINITIONS

In this Private Placement Memorandum the following expressions shall bear the following meanings:

Administration Agreement	Means the administration agreement between the Administrator and the Fund in connection with provision of the administrative services by the Administrator to the Fund as amended, varied, supplemented or novated from time to time.
Administrator	Means NuBright Fund Services Limited including (as the context may require) any Affiliate of the Administrator to which it may delegate its duties and obligations under the Administration Agreement.
Affiliate	Means, with respect to the Investment Manager, any other person that, directly or indirectly, Controls, is Controlled by or is under common Control with the Investment Manager, and any shareholder, member or partner of the Investment Manager.
AML/CFT/PF Laws	Means laws and regulations relating to prevention of money laundering, countering the financing of terrorism, and prohibiting proliferation financing.
Articles	Means the Amended and Restated Memorandum and Articles of Association of the Fund as amended in accordance with the Companies Act from time to time.
Base Currency of Fund	Means the currency of the United States of America.
Board	Means the Directors constituting the board of directors of the Fund for the time being in accordance with the Articles and any duly constituted committee of the relevant board and any successors thereto.
Business Day	means any day (other than a Saturday or a Sunday) when the banks in Hong Kong are authorized to open for normal banking business and/or such day or days as the Board may from time to time determine, either generally or in any particular case.
BVI	Means the British Virgin Islands.
BVI Laws	Means all of SIBA, regulations issued pursuant to the powers given under SIBA, the Companies Act, and regulations issued pursuant to the powers given under SIBA (including the Mutual Funds Regulations) and the Companies Act respectively.
Calculation Period	The first Calculation Period in respect of a Participating share is the period commencing on the Subscription Day for the purchase of the Participating Share and ending as at the close of business on the next to occur of: (i) the date on which such Participating Share is redeemed; and (ii) the date of termination of the Fund.
China	Means People's Republic of China.
Class	Means any class of Participating Shares in the Fund and includes any separate designation of Participating Shares within each such class.

Commission	Means the Financial Services Commission of the BVI which is also referred to herein as the “ FSC ”.
Companies Act	Means the Business Companies Act, 2004 of the BVI as amended from time to time.
Control	Means the power or authority, whether exercised or not, to direct the business, management and policies of the Investment Manager, directly or indirectly, or by effective control whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of the Investment Manager or power to control the composition of the board of directors of the Investment Manager; the terms “ Controlled ” and “ Controlling ” have the meaning correlative to the foregoing;
CNH	Means the currency of the People’s Republic of China in offshore market.
Directors	Means the directors of the Fund, for the time being or, as the case may be, the directors assembled as a board or as a committee thereof and “ Director ” means any one of the Directors.
Eligible Investors	Means (i) persons who are not U.S. Persons subject to U.S. Federal and/or State taxes, (ii) certain U.S. tax-exempt entities (subject to their receipt and reading of a separate supplementary offering memorandum and subscription package for U.S. tax-exempt investors) and (iii) other persons approved by the Board.
Exempted Investors	with respect to the Fund: (i) the manager, administrator, promoter or underwriter of the Fund; (ii) any employee of the manager or promoter of the Fund; and (iii) such other class or description of persons as the Commission may, by notice published in the Gazette, specify as exempted investors.
Fiat Currency	Currency that is backed by a central bank or a national, supra-national or quasi-national organization.
Financial Year End	Means 31 December in each calendar year.
Fund	Means China Emerging Compounders Fund Limited, a company incorporated in the BVI with limited liability on 17 January 2022 with company number: 2089102, and is recognized as a professional fund under SIBA and is regulated by the Commission.
Gross Negligence	Means a standard of conduct beyond negligence whereby a person acts with reckless disregard for the consequences of his action or inaction.
IFRS	Means International Financial Reporting Standards issued by the International Accounting Standards Board.
Initial Offer Period	Means the period commencing from 9:00 am (Hong Kong time) on 21 March 2022 and ending at 5:00 pm (Hong Kong time) on 31 March 2022.
Investment	Means the assets of the Fund including, without limitation, securities, options, futures, swaps, and all other types of assets acquired by the Fund.

Investment Manager	Means Guangdong Jingcheng Private Offered Fund Management Co.,Ltd. 广东璟诚私募基金管理有限公司, a company incorporated under the laws of China with united social security code: 91440400MA4WDTFGXP and is a registered private equity fund manager with registration number: P1064148 of the Asset Management Association of China (AMAC).
Lead Series	Participating Shares of the first Series in the relevant Class.
Management Fee	Has the meaning ascribed to such term herein which will be charged against Participating Shares.
Management Shareholder	Has the meaning ascribed to such term herein (<i>see the Summary section</i>).
Management Share	Has the meaning ascribed to such term herein (<i>see the Summary section</i>).
Mutual Funds Regulations	Means the Mutual Fund Regulations, 2010 of the BVI as amended.
Participating Shareholder	Means a registered holder of Participating Shares in the Register of Members.
Professional Fund	Means as such term is defined under SIBA.
Professional Investor	Has the meaning ascribed to such term herein (<i>see section on BVI Laws and Regulations</i>).
Redemption Date	Has the meaning ascribed to such term herein (<i>see section on Redemption of Participating Shares</i>).
Redemption Price	Has the meaning ascribed to such term herein (<i>see section on Redemption of Participating Shares</i>).
Register of Members	The register of members (including any branch register) of the Fund to be maintained in accordance with the Companies Act.
Registered Office Service Provider	Aegis International Group Limited of Coastal Building, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, VG1110, British Virgin Islands.
Series	Means any series of a Class of Participating Shares into which Shares (or a separate class of Shares) may be subdivided.
Shares	Means any shares in the share capital of the Fund, including the Management Share and the Participating Shares.
SIBA	Means the Securities Investment Business Act, 2010 of the BVI as amended from time to time.
Subscription Date	The first Business Day of each calendar month and on any other day approved by the Board.
Subscription Price per Participating Share	Means US\$10,000 per Participating Shares.

US\$ or U.S. Dollar	Means the lawful currency of the United States.
U.S. or United States	Means the United States of America, its territories and possessions including the States and the District of Columbia.
U.S. Person	<p>Means any individual or entity that would be a U.S. Person under Regulation S of the 1933 Act. The Regulation S definition of U.S. Person includes: (a) any natural person resident in the United States; (b) any partnership or corporation organized or incorporated under the laws of the United States; (c) any estate of which any executor or administrator is a U.S. person; (d) any trust of which any trustee is a U.S. person; (e) any agency or branch of a foreign entity located in the United States; (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and (h) any partnership or corporation if: (i) organized or incorporated under the laws of any foreign jurisdiction; and (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.</p> <p>Any U.S. citizen or “resident alien” within the meaning of U.S. income tax laws as in effect from time to time. Currently, the term “resident alien” is defined under U.S. income tax laws to generally include any individual who (i) holds an Alien Registration Card (a “green card”) issued by the U.S. Citizenship and Immigration Services or (ii) meets a “substantial presence” test. The “substantial presence” test is generally met with respect to any current calendar year if (i) the individual was present in the U.S. on at least 31 days during such year and (ii) the sum of the number of days on which such individual was present in the U.S. during the current 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.</p> <p>With respect to persons other than individuals: (i) a corporation or partnership created or organized in the United States or under the laws of the United States or any state; (ii) a trust where (a) a U.S. court is able to exercise primary supervision over the administration of the trust and (b) one or more U.S. persons have the authority to control all substantial decisions of the trust; and (iii) an estate which is subject to U.S. tax on its worldwide income from all sources.</p>
Valuation Day	The Business Day immediately prior to a Subscription Date or a Redemption Date (as the case may be) and/or such other day as the Board may determine in its discretion.
Valuation Point	The close of business in the last market relevant to the Fund to close on each Valuation Day and such other time as the Directors may determine.

SUMMARY OF TERMS

This summary of the Private Placement Memorandum and certain provisions of the Articles are intended only for quick reference, and is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Private Placement Memorandum, and to the Articles, copies of which are available upon request.

Organization and Investment Objective of the Fund

China Emerging Compounders Fund Limited is a company incorporated with limited liability on 17 January 2022, established to operate as an investment fund. The investment objective of the Fund is to seek long-term capital appreciation for investors under any market conditions by investing in a combination of different investment strategies.

The business of the Fund includes the realisation and distribution of the Fund's assets to Participating Shareholders during a wind down of the Fund's operations.

There is no restriction or limitation on the duration of the Fund.

Registered Office and Register of Members

The Registered Office Service Provider is the BVI registered agent of the Fund and provides registered office services to the Fund in the BVI and such services include providing the Fund's registered office address and the maintenance of corporate records for the Fund which are required by BVI Laws to be kept and maintained in the BVI. The Registered Office Service Provider charges a fixed annual fee for providing these services to the Fund. In addition, the Registered Office Service Provider is entitled to recover out-of-pocket expenses.

Participating Shares will be issued only in registered form. Certificates representing Participating Shares will not be issued. The Administrator maintains the official register of Participating Shares of the Fund at its offices.

Board of Directors

The Directors of the Fund are currently MA Chengqiong and WANG Qigui. The Directors will be responsible for the supervisory oversight and control of the Fund but not active involvement in, the Fund's investments and trading activities. Pursuant to BVI laws and regulations when exercising their powers or performing their duties, the Directors shall act honestly and in good faith with a view to the best interests of the Fund. The Fund has delegated responsibility for the acquisition, holding, disposal and management of its assets to the Investment Manager including the determination of the Fund's general investment policies, and for procuring all investment management and administrative services required in connection therewith. The Directors will review the operations and investment performance of the Fund and the performance of the Investment Manager in relation to its responsibilities to the Fund. See "ORGANIZATION OF THE FUND - Directors of the Fund".

Investment Manager

The Fund's investment manager is Guangdong Jingcheng Private Offered Fund Management Co.,Ltd. 广东璟诚私募基金管理有限公司 ("**Investment Manager**"), a company incorporated

under the laws of China with registration number: united social security code: 91440400MA4WDTFGXP, the sole director of which is Wei Feng.

In addition to the Fund, the Investment Manager and/or its Affiliates may manage other investment vehicles and accounts. The Investment Manager and/or its Affiliates may agree to terms with such other investment vehicles or accounts, or with the investors in such other investment vehicles or accounts, that differ from the terms entered into with the Fund. The Investment Manager is a registered private equity fund manager with registration number: P1064148 of the Asset Management Association of China (AMAC).

The Investment Manager conducts and manages the business and investment activities of the Fund and will have primary responsibility for implementing its trading and investment strategies, guidelines and restrictions. See “INVESTMENT MANAGER.”

Shares of the Fund

The Fund is authorised to issue a maximum of no more than 50,000 Shares. The Shares shall have a par value of US\$1.00 each. The Shares shall comprise two classes, divided into 49,999 Participating Shares and one (1) Management Share.

Subject to the requirements of BVI Laws and the Articles, the Directors of the Fund may from time to time by resolution increase or modify its Classes of Participating Shares with such rights, privileges, restrictions and conditions as the Directors may determine. Subject to the requirements of the Articles, each Class of Participating Shares is issued in multiple Series which vary according to fee agreements or other factors determined by the Directors, but which otherwise have identical rights and duties within their corresponding Class, sharing pro rata in all or a specified portion of the income, investment profits and losses, and expenses of the Class.

Management Share

The Management Share is held by Mcking International Limited, a business company incorporated under the laws of the British Virgin Islands with registration number: 1989853 (the “**Management Shareholder**”). The Management Share is non-redeemable with voting rights and having no economic rights in the profits of the Fund, but will have the right to a return of the paid up share capital in respect of such Management Share after all Participating Shares in the capital of the Fund have been redeemed or repurchased in accordance with the terms of the Articles. The Management Share has voting rights in respect of, among other things: (a) voting on all or any proposed variation to the rights of Management Share and (b) vote to pass resolutions (including, without limitation, special resolutions) on the winding up and dissolution of the Fund after the redemption or repurchase of all the Participating Shares of the Fund.

Offering

Subject to all terms set forth herein, the Fund is offering Participating Shares with a minimum initial investment amount of US\$100,000 or its equivalent in a foreign currency (subject to minimum initial investment amount requirements of SIBA and the

Mutual Funds Regulations) (the “**Offering**”). The Board in its sole discretion may modify the minimum initial investment amounts subject to the applicable requirements of SIBA and the Mutual Funds Regulations. Participating Shares subscribed for during the Initial Offer Period will be issued on the Business Day immediately following the end of the Initial Offer Period. The Participating Shares will be offered in different Series of a Class and sold at the discretion of the Board.

Participating Shares of each Class will be offered for sale at the purchase price of **US\$10,000 per Share** (the “**Offer Price**”). In the sole discretion of the Board, Participating Shares may also be purchased through an in-kind contribution of securities (e.g. shares, stocks, bonds and swaps) to the Fund. Any subscription, in specie or in-kind, will not be registered until the Administrator confirms the value of the asset, in accordance with the valuation method generally applied for the assets of the Fund.

The Fund may establish more than one Class of Participating Shares in the discretion of the Directors. Participating Shares of one Class may be subject to terms and conditions that differ from the terms and conditions applicable to Participating Shares of other Classes.

Upon acceptance of an investor’s subscription for Participating Shares, and the issuance of such Participating Shares, a subscriber will become a Participating Shareholder of the Fund. The Fund may at the discretion of the Board accept or reject all or part of any subscription.

There is no minimum dollar amount of aggregate investor subscriptions the Fund must accept prior to commencing operations.

Unless the Directors otherwise determine, there is no restriction on the available number of Participating Shares, in accordance with the Fund’s authorised share capital, that may be sold. The Fund may terminate or suspend the offering of Participating Shares, in whole or in part, at any time or from time to time, or in respect of any jurisdiction.

Series of Participating Shares may be combined with other Series from time to time as determined by the Board for administrative reasons.

Eligible Investors

Prospective shareholders in the Fund must be Eligible Investors.

Special Investments

A portion of the Fund’s investment portfolio may consist of investments in privately placed unregistered securities or other instruments, in an opportunistic manner, including but not limited to “private equity” type investments, pre-IPO investments, investing in private companies, or other securities (including liquid and illiquid) determined by the Directors (each such privately placed or illiquid assets or other instruments investment, a “**Special Investment**”).

In order to fund a Special Investment, Participating Shares in the

relevant Series and Class on issue at the date of the acquisition of the Special Investment held by Participating Shareholders who have elected to participate in Special Investments will be automatically redeemed and the proceeds used to apply for Special Investment Shares ("SI Shares") at the Subscription Price for SI Shares (US\$10,000 per SI Share). Such SI Shares are not redeemable at the option of the holder of such Shares while they retain this classification.

Investors shall only participate in Special Investments which are acquired by the Fund after the date they become a Participating Shareholder and shall not be allocated with any Special Investments acquired prior to such date.

The Directors shall have the discretion when selecting, acquiring and disposing of the Special Investments, including in determining the types of Special Investments that they deem appropriate, the investment approach that they follow when making investments and the timing of making and disposal of the Special Investments.

Upon disposal of the Special Investments, the SI Shares will be converted back to the original Class of Participating Shares and no Performance Fee shall incur.

Use of Proceeds

Substantially all of the proceeds received by the Fund from the issuance of Participating Shares will be used by the Fund in its investment program.

Administrator

The Fund has appointed NuBright Fund Services Limited to be its administrator, registrar and transfer agent pursuant to the terms of an Administration Agreement.

Prime Broker

The Fund may appoint one or more prime brokers pursuant to the terms of certain brokerage services agreements.

Custodian

The Fund may appoint custodians which will be responsible for the safe-keeping of the Fund's assets pursuant to the terms of certain custody agreements.

Net Asset Value of Participating Shares

The Net Asset Value of the Fund will be equivalent to its gross assets less its gross liabilities as of any date of calculation. The Net Asset Value will be calculated in accordance with the terms herein.

BVI Laws and Regulations

The Fund is recognized by the FSC as a Professional Fund pursuant to section 55 of SIBA which means that the Participating Shares of the Fund may only be issued to persons who are "Professional Investors" within the meaning of SIBA and on the basis that the initial investment in the Fund by each of its shareholders must be not less than US\$100,000 or its equivalent in another currency. As a Professional Fund, the Fund is required to be and has been recognized under SIBA within 21 days of commencing its business and will be required to pay an application fee of \$700 and an annual recognition fee. Such recognition does not involve an examination of the merits of an investment in the Fund and does not entail supervision of the

Fund's investment performance or portfolio by the British Virgin Islands Government or the FSC. There is no financial obligation or compensation scheme imposed on or by the Government of the British Virgin Islands in favour of or available to the investors in the Fund. Except to the extent stated herein, the Fund is not subject to supervision by the FSC or by a regulator outside the British Virgin Islands.

A "**Professional Investor**" is any person: (a) whose ordinary business involves, whether for his own account or the accounts of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of the property, of the Fund; or (b) who has signed a declaration that he or she, whether individually or jointly with his spouse, has net worth in excess of US\$1 million United States currency or its equivalent in any other currency and that he or she consents to being treated as a Professional Investor.

As an entity regulated under SIBA, the Commission is authorized to direct the Fund to furnish information or provide access to any records, books or other documents which it deems necessary to ascertain compliance with SIBA or any regulations made under SIBA.

The Fund's Certificate of Recognition may be cancelled or made subject to conditions if, among other reasons, the Fund has breached SIBA or any subsidiary legislation, any conditions of its certificate, has been convicted of an offense, is carrying on business in a manner detrimental to its investors or to the public interest, is declared bankrupt or is being wound-up or dissolved.

Dissolution of the Fund

The Fund may be placed into voluntary liquidation on a resolution of the holder of Management Share.

Redemptions

Any redemption terms applicable to the Participating Shares will be as set out herein. See "REDEMPTION AND TRANSFER OF THE FUND'S PARTICIPATING SHARES".

Suspensions

The Directors may declare a suspension or postponement of the determination of Net Asset Value (and the applicable Valuation Day) of the Fund, and/or the issue of Participating Shares (and the applicable Subscription Date) in respect of the Fund, and/or the redemption of Participating Shares (and the applicable Redemption Date) in respect of the Fund, and/or the payment of any amount to a redeeming Participating Shareholder in connection with the redemption of Participating Shares (even if Valuation Days and Redemption Dates are not suspended or postponed) in respect of the Fund for the whole or any part of any period in certain circumstances. See "NET ASSET VALUATION - Suspension of Determination of Net Asset Value and Redemption".

Performance Fee

Means a performance-based fee chargeable in respect of a Series and Classes of Participating Shares as stated herein.

Side Letters

The Fund, may from time to time enter into agreements with one or more prospective investors whereby in consideration for

agreeing to invest certain amounts in the Fund and other consideration deemed material by the Fund, such investors may be granted favourable rights not afforded to other Participating Shareholders or investors of the Fund, generally. Such rights may include, but are not limited to one or more of the following: special rights to make future investments in the Fund, other investment vehicles or managed accounts, as appropriate; special redemption rights, relating to frequency, notice and/or other terms; rights to receive reports from the Fund on a more frequent basis or that include information not provided to other Participating Shareholders (including, without limitation, more detailed information regarding positions); rights to receive reduced rates of the Management Fee or the Performance Fee; and such other rights as may be negotiated between the Fund and such investors. The Directors will not be required to notify the other Participating Shareholders of any such agreement or any of the rights and/or terms or provisions thereof, nor will the Directors be required to offer such additional and/or different terms or rights to any other Participating Shareholder in question. The Fund, may enter into such agreements without the consent of or notice to the existing Participating Shareholders. The Board of Directors may enter into any such agreement with any Participating Shareholder at any time in its sole discretion.

Transfers

The Fund, will not register the transfer of any Participating Shares without prior written consent of the Directors. The Directors retain the right to refuse to register any transfer of Participating Shares at their discretion.

The Directors may decline to register any transfer of Participating Shares unless an application for the transfer of such Participating Shares is accompanied by such evidence as the Directors may reasonably require to show the transfer would not result in those Participating Shares being held by (i) any person in breach of the law or requirements of any country (including, without limitation, AML/CFT/PF Laws), any governmental or other regulatory authority or any stock exchange on which any of the Participating Shares of the Fund may be listed or (ii) any person or persons in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered.

A transferee must make the same representations as is required of subscribers. There is currently no public market for resale of Participating Shares and none is expected to develop.

No Stock Exchange listing of Shares

No application has been made to list the Participating Shares on any stock exchange.

The Directors reserve the right to list the Participating Shares of the Fund on a recognized Stock Exchange at the discretion of the Directors at a future time of their choosing.

Details of the Principal Rights and Restrictions attaching to Participating Shares

Any subscription is, once made, irrevocable on the part of an investor and the Directors retain the right to reject any

subscription and need not provide any reason for any such rejection.

The Fund's Articles may be amended by the holders of the Management Share. Mcking International Limited is the holder of the Management Share of the Fund. The holder of the Management Share carries the right to vote on all matters at a general meeting of the Fund, including the right to amend the Articles of the Fund in its sole discretion (except that the alteration of any rights attaching to the Participating Shares offered by the Fund or making a material change the investment objectives and policy of the Fund must be approved by a majority in interests of the relevant Participating Shareholders).

Except for any side letter arrangements which may be permissible between the Fund and individual Participating Shareholders, every Participating Share has equal rights and privileges with every other Participating Share within its Class, and has voting rights in respect of its Class.

The Directors may, in their discretion, make distributions to any Participating Shareholder wholly or in part in securities or other assets of the Fund.

No Participating Shareholder shall have the right to require distributions and to the extent that any distributions are paid in property other than cash, such determination to make non-cash payment shall be in the sole discretion of the Board. Any redemption in kind approved by the Directors will seek to treat all investors fairly and will not materially prejudice the interests of the remaining Participating Shareholders.

In the circumstances stated in this Private Placement Memorandum, the Directors, in their sole and absolute discretion, may suspend the valuation of the Fund's assets, and/or the right or obligation to honour redemption requests (including the right to receive redemption proceeds), and/or extend the period for payment on redemption. The Directors have reserved the right, in their sole discretion and without notice, to require any Participating Shareholder to redeem entirely from the Fund, for any reason or no reason.

The Fund reserves the right to reject a subscription application, for any reason, in whole or in part, in which event the subscription monies or any balance thereof will be returned to the applicant by transfer to the applicant's designated account or by wire, without interest and at the applicant's risk. Upon acceptance by the Fund of an investor's subscription application and clearance of the investor's funds in an amount equal to or in excess of the required minimum investment, an investor will be credited with the appropriate number of Participating Shares upon the Register of Members of the Fund maintained by the Administrator. Fractional shares will be issued to eight (8) decimal points.

Dividends

Payment of any dividends will be retained by the Fund for future investment at the discretion of the Directors.

Material Provisions of Law and Regulations in the BVI governing the investors' interest in the Fund

The material provisions of BVI Laws which govern investors' interest in the Fund are set out in various places in this Private Placement Memorandum. For example:

1. The Fund falls or will fall within the definition of a "professional fund" in terms of SIBA. The consequences of such application to the Commission to be recognized are set out herein. (See heading "Regulation of the Fund").
2. Each Participating Shareholder is entitled by BVI Laws to a copy of the Fund's Private Placement Memorandum and Articles but as disclosed elsewhere herein (see "Access to Information"), Participating Shareholders' access to information and documents from the Fund are limited.
3. There is no investment compensation scheme available to investors in the BVI. There is no separate legal representation provided by the Fund for investors considering an investment in the Fund.

Expenses

Organizational and Initial Offering Costs. All fees, expenses, and costs of the Offering and organization of the Fund (including legal and other expenses) ("**Organizational Expenses**") shall be paid by the Management Shareholder but the Management Shareholder will be entitled to be reimbursed for the total costs and expenses of establishing the Fund upon the production of invoices in respect of the same addressed to the Fund) and such costs and expenses of establishing the Fund will be payable out of the proceeds of the initial issue of Participating Shares. These costs and expenses will be amortised on a straight line basis over a period of 60 months from the date following the initial offer of Participating Shares as determined by the Directors. The Directors may shorten the period over which such costs and expenses are amortised.

All expenses incurred by the Investment Manager in rendering services to the Fund in accordance with the terms of the Investment Management Agreement which are approved by the Directors in writing shall be borne by the Fund, except all overhead expenses of an ordinary and recurring nature such as in respect of office rent, furniture and fixtures, salaries, entertainment expenses and employee insurance. In the event of any dispute between the Fund and the Investment Manager as to the calculation or amount of any compensation or remuneration payable to the Investment Manager, the costs of obtaining the determination by a third party adjudicator agreed and selected by both parties shall be equally borne by the Fund and the Investment Manager.

Transactional and Related Costs. The Fund will pay all expenses of its operations and business, including, but not limited to, investment-related expenses (e.g., brokerage commissions, clearing and settlement charges, custodial fees, interest expenses, expenses relating to consultants, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments, appraisal fees and

expenses, and investment banking expenses); research costs and expenses (including fees for news, quotation and similar information and pricing services); legal expenses (including, without limitation, the costs of on-going legal advice and services, all costs and expenses related to or incurred in connection with the Investment Manager's compliance obligations under applicable securities and investment adviser laws arising out of its relationship to the Fund, as well as extraordinary legal expenses, such as those related to litigation or regulatory investigations or proceedings); any Management Fee; accounting fees and audit expenses; stock exchanges, administration fees, accounting fees and expenses; tax preparation expenses and any applicable tax liabilities (including transfer taxes and withholding taxes); other governmental charges or fees payable by the Fund; director and officer and/or errors and omissions liability insurance premiums or fiduciary liability insurance premiums for directors, officers and personnel of the Investment Manager; costs of printing and mailing reports and notices; and other similar expenses as the Investment Manager determines in its sole discretion.

Financial Year

The Fund's Financial Year End shall end on 31 December each year with the first Financial Year End of the Fund concluding on 31 December 2022.

Selling Commissions

The Investment Manager may pay or authorise the payment of selling commissions and/or referral fees in connection with the offering of the Participating Shares, such that portion of any Performance Fee chargeable and/or any Management Fee chargeable may be remitted to registered broker dealers or their representatives introducing Participating Shareholders to the Fund, or the Investment Manager may use its own resources to compensate third parties for such introductions. The Investment Manager may also direct brokerage from the Fund's trades to broker-dealers which introduce Participating Shareholders to the Fund, subject to applicable laws.

**Principal Risk Factors
And Conflicts of Interest**

An investment in the Fund is speculative and involves a high degree of risk. Participating Shares are intended for sale to a limited number of experienced and sophisticated professional investors. Investors must be willing to bear the risks of this investment, including the possible loss of all or a substantial part of their investment. In addition, there are a number of conflicts of interest in the structure and operation of the Fund. See "CERTAIN RISK FACTORS" and "CONFLICTS OF INTEREST."

Tax and Regulatory Matters

Under current BVI Laws, the Fund and its Participating Shareholders are not subject to income tax, capital gains tax, or withholding tax. Certain dividend income and certain capital gains income realized by the Fund may be subject to income or withholding taxes in the source jurisdiction. Potential investors interested in the purchase of Participating Shares should inform themselves as to the tax consequences, if any, in their own countries, which might be relevant to the purchase, holdings, repurchase, redemption or transfer of the Shares. See TAX CONSIDERATIONS herein.

Leverage:

The Fund will utilize leverage in its investment program when the Investment Manager considers it appropriate including but not limited to, for the purposes of: (i) paying expenses of the Fund, (ii) purchasing the Participating Shares of any redeeming Participating Shareholder, (iii) financing improvements to an investment made by the Fund, and (iv) to otherwise protect any Fund asset as determined by the Investment Manager in its sole discretion. The use of leverage may, in certain circumstances, maximize the adverse impact to which the Fund's investment portfolio may be subject.

Information to Shareholders:

The Fund's books of account (i.e. its financial statements) will be audited as at each Financial Year End by a firm of auditors selected by the Directors. Audited financial statements will generally be kept by the Fund, in accordance with IFRS. Annual accounts prepared in accordance with IFRS shall be made up to each Financial Year End.

Access to Information

The amount of information available to investors is limited. The general nature of the strategies employed by the Investment Manager are as stated herein, and the specific details of the execution of such strategies will not be disclosable to investors. The Fund will not be obligated nor will it be inclined to disclose arrangements, agreements or information (including, but not limited to, any agreements, arrangements, or payments made by the Investment Manager to third parties e.g. finder's fees, commissions, and retrocessions) relating to third parties other than any information detailed in the Articles and the information disclosed in the audited financial statements of the Fund. The Fund's audited financial statements will not include a detailed listing of positions held by the Fund. Such confidentiality is maintained for the purpose of preventing third-parties from using information concerning the Fund's position to its detriment. Consequently, Participating Shareholders will have very limited information with which to evaluate the Investment Manager's implementation of the investment strategy.

Subscription Procedure

Subscribers for Participating Shares during the Initial Offer Period must submit their completed Subscription Application, together with any supporting documents, so as to be received by the Administrator by no later than 5:00 pm (Hong Kong time) on the last Business Day of the Initial Offer Period. Subscription monies must be sent by electronic transfer so that cleared funds are received in the bank account of the Fund by no later than 5:00 pm (Hong Kong time) on the last Business Day of the Initial Offer Period.

After the Initial Offer Period, fully completed subscription applications with any supporting documents need to be provided to the Administrator by 5:00 pm (Hong Kong time) three (3) Business Days prior to the applicable Subscription Date and cleared funds confirmed by the Fund's bank in the Fund's account by 5:00 pm (Hong Kong time) one (1) Business Days prior to the applicable Subscription Date. In cases of e-mail, the original of the subscription application must follow promptly to the address of the Administrator. The Board reserves the absolute discretion

to accept subscription applications by such lesser period as they may generally or in any particular case determine.

Unless the Directors determine otherwise, if the completed subscription applications and subscription monies are not received by the applicable time referred to above, the application will be held over to the Subscription Date following receipt of the outstanding documentation and/or subscription monies, as the case may be. The Participating Shares will then be issued on that Subscription Date.

Any subscription is, once made, irrevocable on the part of an investor and the Board retains the right to reject any subscription and need not provide any reason for any such rejection.

The minimum subscription by an investor in Participating Shares is US\$100,000 for initial subscription by a new investor and US\$100,000 for additional subscription by an existing Participating Shareholder (or equivalent amount in the relevant currency).

The Board in its sole discretion may also waive or modify any of the foregoing requirements for any or no reason. Subject to the requirements of BVI Laws, the minimum investment limit referred to above shall not apply with respect to an investment made by the Exempt Investors into the Fund.

No subscription applications, and/or any other communication or instructions sent by the Participating Shareholder to the Administrator will be deemed to have been received by the Administrator unless receipt is acknowledged in writing by the Administrator. Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt.

In order to purchase Participating Shares, a subscriber must:

- (1) Complete, execute and submit a subscription application for the Fund to the Administrator; and
- (2) Arrange for a wire transfer for the amount of the subscription in accordance with the instructions in the subscription application from an account registered into the name of the subscriber to the account of the Fund.

In the subscription application, subscribers shall represent that they are purchasing Participating Shares for investment and meet other suitability requirements established by the Investment Manager. Generally, the Participating Shares will not be offered for sale in the BVI or the U.S. or its territories or possessions, or to certain nationals thereof, certain persons resident therein, or certain entities established under the laws thereof. See "SUBSCRIPTIONS FOR PARTICIPATING SHARES AND ADDITIONAL INFORMATION." The distribution of this Private Placement Memorandum and the offering of Participating Shares may be restricted in certain jurisdictions. It is the responsibility of any person or persons in possession of this Private Placement

Memorandum and wishing to make application for Participating Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Participating Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their citizenship, residence or domicile.

This Private Placement Memorandum does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

Participating Shares

This Private Placement Memorandum does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

The Fund's Articles provide that the holders of the Participating Shares shall not be entitled to receive notice of and attend and vote at any general meeting of the Fund.

Subject to the provisions of and the restrictions contained in the Companies Act, the Participating Shares of the Fund may be redeemed either out of profits or out of capital of the Fund or, in the case of any premium payable on the redemption, out of the share premium account.

ORGANIZATION OF THE FUND

The Fund is a BVI company incorporated with limited liability on 17 January 2022, established to operate as an investment fund by issuing Participating Shares to accepted subscribers and is recognized by the Commission as a Professional Fund. The Registered Office Service Provider is the registered agent of the Fund. The Fund's Articles provide that the Fund's objectives are unrestricted and the Fund shall have full power and authority to carry out any objective not prohibited by law.

As a condition to an investment in the Fund, each Participating Shareholder will be required to enter into a subscription application ("**Subscription Application**") with the Fund indicating, among other things, their subscription amount.

Directors of the Fund

The Board of Directors of the Fund presently consists of MA Chengqiong and WANG Qigui. The Directors will be responsible for the supervisory oversight and control of the Fund, but not active involvement in, the Fund's trading activities. The Directors will review the operations and investment performance of the Fund and the performance of service providers to the Fund including the Investment Manager.

The Fund has delegated responsibility for the acquisition, holding, disposal and management of its assets to the Investment Manager including the determination of the Fund's general investment policies, and for procuring all investment management and administrative services required in connection therewith. The Fund has delegated the calculation of the Fund's Net Asset Value, AML/KYC checks and verification of applicants for Participating Shares, and certain other administrative duties to the Administrator. The Administrator will not be responsible for monitoring any investment restrictions or compliance with those investment restrictions and therefore will not be responsible for any breach thereof.

The Board will review the operations and investment performance of the Fund. The Directors meet periodically to review the services and continued appointment of the Administrator and other service providers and to review the activities of the Investment Manager and to decide upon matters of general policy. The Investment Manager has the discretion to engage in a broad range of investment activities in connection with the management of the Fund's assets. See "INVESTMENT OBJECTIVES AND STRATEGIES".

The Articles provide that a Director or officer shall not be liable to the Fund for any acts or omissions in the performance of his duties if he acted honestly and in good faith with a view to the best interests of the Fund and, in the case of criminal proceedings, that he had no actual or reasonable cause to believe that his conduct was unlawful. The Articles also contain provisions for the indemnification of the Directors by the Fund, to the extent permitted by law, against liabilities to third parties arising in connection with performance of their services to the extent that such liabilities do not arise as a consequence of wilful concealment, actual fraud or Gross Negligence.

Directors' Interests

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Fund and the Participating Shares are set out below:

- A. The Directors or companies of which they are officers or employees, including the Investment Manager, may subscribe for Participating Shares in the Fund.
- B. Save as disclosed herein, no Director has any interest, direct or indirect, in the promotion of or in any assets which are proposed to be acquired, disposed of by or leased to the Fund and no Director has a material interest in any contract or arrangement entered into by the Fund which is unusual in nature or conditions or significant in relation to the business of the Fund, nor has any Director had such an interest since the Fund was incorporated.
- C. No Director has: (i) any unspent convictions in relation to indictable offences; or (ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such

Director; or (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors; or (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of the affairs of any company.

Directors' Remuneration

The remuneration of the Directors is determined by a resolution of the Directors. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund or in connection with the business of the Fund. Neither of the Directors is entitled to an annual service fee for being a Director of the Fund.

Transactions with Directors

- A. No agreement or transaction between the Fund and one or more of its Directors or any person in which any Director has a financial interest or to whom any Director is related, including as a director of that other person, is void or voidable for that reason only or by reason only that the Director is present at the meeting of Directors or at the meeting of the committee of Directors that approves the agreement or transaction, or that the vote or consent of that Director is counted for that purpose, provided that the material facts of the interest of each relevant Director in the agreement or transaction, and his interest in or relationship to any other party to the agreement or transaction, are disclosed in good faith to or known by the other Directors.
- B. A Director who has an interest in any particular business to be considered at a meeting of the Directors or Participating Shareholders may be counted for the purpose of determining whether the meeting is duly constituted and may vote at such meeting, subject to the disclosure required as set out above, in the case of a meeting of the Directors.

Retirement of Directors

There is no provision for the retirement of Directors on their attaining a certain age and the Articles do not provide for retirement of Directors by rotation.

USE OF PROCEEDS

Substantially all of the proceeds received by the Fund from the issuance of Participating Shares shall be used to pursue the investment program set forth in this Private Placement Memorandum.

The Fund may, at the discretion of the Investment Manager, retain such amounts as it considers appropriate to maintain a liquid portfolio of cash, including deposits and government securities, for the purposes of paying its anticipated expenses and to meet any other cash needs. See "Use of Cash and Cash Equivalents" below.

Use of Cash and Cash Equivalents

The Fund may, hold cash or invest in cash equivalents for short-term investments. If the Investment Manager believes that there is not sufficiently good value in any instrument suitable for investment of the Fund's capital, all such capital may be held in cash and cash equivalents.

Other than as set forth herein, the Investment Manager and its Affiliates will not make any inter-company or inter-fund loans using the assets or other property of the Fund. The Investment Manager will generally not have authority to assign or allocate its authority to manage the Fund's assets to any other investment adviser, but may occasionally use the services of Affiliates of the Investment Manager in the management of any assets of the Fund.

INVESTMENT OBJECTIVES AND STRATEGIES

NOTE: Descriptions of the Fund's general objectives, standards and practices as they appear anywhere in this document, including use of "normally," "generally," "usually," "typically" or similar such terms, do not limit the scope of the Investment Manager's discretion in investment.

INVESTMENT OBJECTIVE

The Fund will invest substantially all of the net proceeds of the sale of its Participating Shares in this Offering to investment strategies employed by the Fund to achieve its investment objectives and will issue its Participating Shares through one or more Classes.

The investment objective of the Fund is to seek long-term capital appreciation for investors under any market conditions by investing in a combination of different investment strategies. The Fund may invest in fund of funds, equity, debt, fixed income, commodities futures contracts, commodities options, financial futures, options on futures, other derivatives, initial public offering, short sales, controlling positions of stock, real estate (including REITS), foreign securities, other investment funds (including public and private funds), illiquid investments.

There can be no assurance that the Fund will achieve its investment objective or that an investor will not lose some or all of the assets invested in the Fund.

The business of the Fund includes the realisation and distribution of the Fund's assets to Participating Shareholders during a wind down of the Fund's operations.

If the Directors, in consultation with the Investment Manager, decide that the investment objectives and strategy of the Fund are no longer viable they may resolve that the Fund be managed with the objective of realising assets in an orderly manner and distributing the proceeds to Participating Shareholders in such manner as they determine to be in the best interests of the Participating Shareholders, in accordance with the terms of the Articles ("**Soft Wind-Down**"), including, without limitation, compulsorily redeeming Participating Shares, paying any redemption proceeds in specie and/or declaring a suspension while assets are being realised. This process is integral to the business of the Fund and may be carried out without recourse to a formal liquidation under the Companies Act or any other applicable bankruptcy or insolvency regime, but shall be without prejudice to the right of the holder of the Management Share to place the Fund into liquidation.

INVESTMENT STRATEGY

The assets held by the Fund will be invested in accordance with the Investment Objective set out above to seek to capture high risk-adjusted long term return by investing in a combination of different strategies. (the "**Investment Strategy**").

The investment strategies which will be used by the Investment Manager for investments by the Fund may be highly profitable with expected high returns; however, investors should note that these strategies also have a high degree of risk, including certain risk factors. Participating in the Fund requires technical skill beyond that of many investors. See "CERTAIN RISK FACTORS" below.

INVESTMENT RESTRICTIONS

The Articles do not contain any restrictions on the investment powers of the Fund.

SPECIAL INVESTMENTS

A portion of the Fund's investment portfolio may consist of investments in privately placed unregistered securities or other instruments, in an opportunistic manner, including but not limited to "private equity" type

investments, pre-IPO investments, investing in private companies, or other securities (including liquid and illiquid) determined by the Directors (each such privately placed or illiquid assets or other instruments investment, a “**Special Investment**”).

In order to fund a Special Investment, Participating Shares on issue at the date of the acquisition of the Special Investment held by Participating Shareholders who have elected to participate in Special Investments will be automatically redeemed and the proceeds used to apply for Special Investments Shares (“**SI Shares**”) at the Subscription Price for SI Shares. Such SI Shares are redeemable at the option of the holder of such Shares while they retain this classification.

Investor shall only participate in Special Investments which are acquired by the Fund after the date they become a Participating Shareholder are shall not be allocated any Special Investments acquired prior to such date.

The Directors shall have the discretion when selecting, acquiring and disposing of the Special Investments, including in determining the types of Special Investments that it deems appropriate, the investment approach that it follows when making investments and the timing of making and disposal of the Special Investments.

Upon disposal of the Special Investments, the SI Shares will be converted back to the original Participating Shares and no Performance Fee shall incur.

LEVERAGE OR BORROWING POLICY

The Fund will utilize leverage in its investment program when the Investment Manager considers it appropriate including but not limited to, for the purposes of: (i) paying expenses of the Fund, (ii) purchasing the Participating Shares of any redeeming Participating Shareholder, (iii) financing improvements to an investment made by the Fund, and (iv) to otherwise protect any Fund asset as determined by the Investment Manager in its sole discretion. The use of leverage may, in certain circumstances, maximize the adverse impact to which the Fund's investment portfolio may be subject.

LIMITS OF DESCRIPTION OF INVESTMENT PROGRAM

The Directors and Investment Manager are not limited by the above discussion of the investment program. Further, the investment program is a strategy as of the date of this Private Placement Memorandum only. The Investment Manager has wide latitude to invest or trade the Fund's assets, to pursue any particular strategy or tactic, or to change the emphasis without obtaining the approval of the Participating Shareholders, although the Directors may only cause a material change to the investment strategy of the Fund with the consent of a majority in interest of Participating Shareholders. Except as specifically provided in this section, the investment program imposes no significant limits on the types of instruments in which the Fund may take positions, the type of positions it may take, its ability to borrow money, or the concentration of investments. The foregoing description is general and is not intended to be exhaustive. Prospective Participating Shareholders must recognize that there are inherent limitations on all descriptions of investment processes due to the complexity, confidentiality, and subjectivity of such processes. In addition, the description of virtually every trading strategy must be qualified by the fact that trading approaches are continually changing, as are the markets invested in by the Fund.

RISK MANAGEMENT

Risk will be controlled through the constant monitoring and analysis by the Investment Manager of the assets and portfolio of the Fund.

DISTRIBUTIONS AND REINVESTMENT

Payment of any dividends will be at the discretion of the Directors and the Directors may determine that funds available for dividends should be retained by the Fund for future investment.

Although no guarantees against any level of loss can be made, the Investment Manager will employ an investment strategy which, in its opinion, and subject to the calculative and other risks set forth elsewhere in this Private Placement Memorandum, is designed to attempt to limit downside risk. Such objectives may not be achieved, however, nothing contained in this section (or elsewhere in this Private Placement Memorandum) shall limit the scope of the Investment Manager's sole investment discretion, or operate as a guarantee against any specific level of risk.

CHANGES TO INVESTMENT STRATEGIES AND RESTRICTIONS

The investment objective, investment strategies, investment restrictions and limits on leverage summarized above represent the current intentions of the Directors. The Directors may make changes to the investment objective and strategy from time to time. If changes are proposed to be made to the investment objective and strategy, the Fund will give notice to investors of the changes.

REGULATION OF THE FUND

The Fund is a "professional fund" within the meaning of SIBA and accordingly Participating Shares in the Fund are only being offered to and will only be issued to "professional investors" within the meaning of SIBA.

A "professional investor" is defined by SIBA as a person: (a) whose ordinary business involves, whether for that person's own account or the account of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of the property, of the Fund; or (b) who has signed a declaration that he, whether individually or jointly with his spouse, has net worth in excess of one million dollars (US\$1 million) in the currency of the United States of America or its equivalent in any other currency and that he consents to being treated as a professional investor.

Recognition of the Fund as a professional fund under SIBA does not involve any examination of the merits of an investment in the Fund or substantive supervision of the investment performance or portfolio constitution of the Fund by the Government of the British Virgin Islands or the Commission. There are no financial obligations or compensation schemes imposed on the Fund by the Commission or the Government of the British Virgin Islands that favour investors or that are available to investors in the Fund.

The Commission may in certain circumstances take enforcement action against the Fund. Enforcement action may include, cancellation, revocation or suspension of the recognition of the Fund as a professional fund and issuing a directive imposing prohibitions, restrictions or limitations on the Fund or requiring the Fund to take such action as the Commission considers may be necessary to protect the property of, or in the custody, possession or control of the Fund, or to protect investors or creditors of the Fund. Circumstances in which enforcement action could be taken include where the Fund has contravened or is in contravention of SIBA, the Mutual Fund Regulations, the Anti-money Laundering Regulations, 2008 (as amended) or the Anti-money Laundering and Terrorist Financing Code of Practice, 2008 (as amended); where the Fund no longer satisfies the criteria for recognition as a professional fund under SIBA and the Mutual Fund Regulations; and where a functionary of the Fund does not, in the Commission's opinion, satisfy its fit and proper criteria.

The minimum initial investment in the Fund by each investor is US\$100,000 at the time of the initial subscription although smaller amounts may be accepted at the discretion of the Directors provided that the initial subscription for Participating Shares of any class shall not be less than US\$100,000 at the time of the initial subscription.

As a "professional fund", the Fund is required to pay an annual recognition fee with the Commission.

The Fund is required under the Mutual Fund Regulations to prepare financial statements for each financial year that comply with accounting standards specified in the Mutual Fund Regulations. The Fund is required to appoint and at all times have an auditor for the purposes of auditing its financial statements (although the Commission may exempt the Fund from such requirement upon written application to the Commission). A copy of the audited financial statements (to the extent required) shall be provided to the Commission within six (6) months after the financial year end of the Fund or such extended period generally not exceeding fifteen months as the Commission may approve in writing. The Fund is also required to file an annual return to the Commission in respect of each year.

In issuing such a Certificate of Recognition in respect of the Fund, the Commission shall not be liable for any losses or default of the Fund or for the correctness of any opinions or statements expressed in any prospectus or offering document. Neither the Commission nor any other governmental authority in the British Virgin Islands has commented upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the British Virgin Islands.

BVI Laws require prospective investors to be aware of the following investment warning:

THE FUND HAS BEEN ESTABLISHED AS A "PROFESSIONAL FUND" WITHIN THE MEANING OF THE BRITISH VIRGIN ISLANDS SECURITIES AND INVESTMENT BUSINESS ACT, 2010.

(A) THE FUND IS ONLY SUITABLE FOR "PROFESSIONAL INVESTORS", AS DEFINED UNDER SIBA.

(B) A MINIMUM INITIAL INVESTMENT OF US\$100,000 (OR SUCH LARGER SUM AS MAY APPLY WITH RESPECT TO THE FUND), IS REQUIRED BY EACH INVESTOR, OTHER THAN "EXEMPTED INVESTORS" AS DEFINED UNDER SIBA.

(C) THE FUND IS NOT SUBJECT TO SUPERVISION BY THE FINANCIAL SERVICES COMMISSION (THE "COMMISSION") OR BY A REGULATOR OUTSIDE THE BRITISH VIRGIN ISLANDS AND THE REQUIREMENTS CONSIDERED NECESSARY FOR THE PROTECTION OF INVESTORS THAT APPLY TO "PUBLIC FUNDS", AS DEFINED UNDER SIBA, DO NOT APPLY TO PROFESSIONAL FUNDS.

(D) AN INVESTOR IN A PROFESSIONAL FUND IS SOLELY RESPONSIBLE FOR DETERMINING WHETHER THE FUND IS SUITABLE FOR HIS INVESTMENT NEEDS.

(E) BY REASON OF THE ABOVE, INVESTMENT IN A PROFESSIONAL FUND MAY PRESENT A GREATER RISK TO AN INVESTOR THAN INVESTMENT IN A PUBLIC FUND.

INVESTMENT MANAGER

The investment manager of the Fund is Guangdong Jingcheng Private Offered Fund Management Co., Ltd. 广东璟诚私募基金管理有限公司 (“**Investment Manager**”), a company with limited liability incorporated under the laws of China. Pursuant to the terms of the Investment Management Agreement between the Investment Manager and the Fund, the Investment Manager will make all trading and investment decisions for the Fund, and will have exclusive management of its assets.

The Investment Manager and its principals and Affiliates may also actively trade for their own personal (proprietary) accounts in such markets. The Investment Manager and its principals and Affiliates intend to continue to invest directly, or otherwise participate in, and serve as sponsor or investment manager of and/or adviser to, investment vehicles, and to engage in investment management and investment advisory activities for others.

While the Directors are responsible for the overall supervisory oversight and control of the Fund in accordance with BVI Laws, the Directors have delegated the day-to-day operation of the Fund to service providers, including the Investment Manager and the Administrator. In performing their duties, the Directors are entitled to rely upon, and generally rely upon the work performed by and information received from such service providers.

In addition to the Fund, the Investment Manager and/or its Affiliates may manage other investment vehicles and accounts. The Investment Manager and/or its Affiliates may agree to terms with such other investment vehicles or accounts, or with the investors in such other investment vehicles or accounts, that differ from the terms entered into with the Fund.

The Investment Manager is a registered private equity fund manager with the registration number: P1064148 of the Asset Management Association of China (AMAC). As such, it is duly authorized by AMAC to provide the services set out in the Investment Management Agreement.

The Investment Manager is obligated under the terms of the Investment Management Agreement to ensure that:

- i. The Investment Manager shall not, until the expiry of one year and one day after the Fund has been fully discharged from its obligations under the Investment Management Agreement, take any corporate action or other steps or legal proceedings for the winding-up, dissolution or re-organisation or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of the Fund or of any or all of the Fund’s revenues and assets or analogous proceedings in any jurisdiction.
- ii. The Investment Manager agrees not to seek before any court or governmental agency to have any Director, officer, shareholder, employee or agent of the Fund or their respective legal advisers held liable for any actions or inactions of the Fund or any obligations of the Fund under the Investment Management Agreement except where such actions or inactions result or arise of the fraud or wilful default of such director, officer, shareholder, employee or agent or their respective legal advisers.

THE FUND, SHARE CAPITAL, AND SERVICE PROVIDERS

The Fund is a business company incorporated in the BVI with limited liability to operate as an investment fund. The Fund is structured to facilitate the pooling of Participating Shareholders' subscription moneys for the purpose of investment achieve long-term capital appreciation for investors under any market conditions by investing in a combination of different investment strategies in accordance with the investment objectives and strategies set out in this Private Placement Memorandum. The Fund will only accept subscriptions for Participating Shares from Eligible Investors and the Fund may modify, withdraw or cancel any offering made pursuant to this Private Placement Memorandum at any time prior to consummation of the offering and may reject any subscription, in whole or in part, in its sole discretion.

The Fund (acting through the Directors or any duly authorised agent) may enter into a written agreement with a Participating Shareholder or prospective Participating Shareholder in respect of Participating Shares of a certain Class providing for offering terms that vary from those applicable to other holders of Participating Shares of the same Class including, without limitation, the waiver or reduction of fees payable in respect of such Participating Shares, and the provision of additional information or reports, and in such circumstances the Directors may issue Participating Shares of the same Class to such Participating Shareholder or may determine to issue a separate Class to such Participating Shareholder.

Authorised Shares of the Fund

The Fund is authorised to issue a maximum of no more than 50,000 Shares divided into 1 voting, non-participating, non-redeemable share ("**Management Share**") and 49,999 non-voting, participating, redeemable shares ("**Participating Shares**"). The Fund may issue additional Classes of Shares and/or different Classes of Participating Shares.

The Participating Shares of the Fund are the subject of this Offering. The Participating Shares may be issued in multiple Series on each Subscription Date in accordance with fee agreements or other factors determined by the Directors, but otherwise have identical rights and duties within their corresponding Class, sharing pro rata in all or a specified portion of the income, investment profits and losses, and expenses of the Class.

Subject to the requirements of BVI Laws and the Articles, the Directors may from time to time by resolution increase the number of Participating Shares (where appropriate), increase or modify a Share Class or Series, consolidate each Participating Shares or any of them into a smaller number of Participating Shares, sub-divide Participating Shares or any of them into a larger number of Participating Shares or cancel any Participating Shares not taken or agreed to be taken by any person. The Directors may by resolution from time to time reduce the number of Participating Shares (where appropriate) in any way permitted by BVI Laws.

Participating Shares may only be offered, issued, registered or transferred to an Eligible Investor (See "**TAX CONSIDERATIONS**")

Mcking International Limited is the holder of the Management Share of the Fund, which carry the right to vote on all matters including the right to amend the Articles (except that with respect to the material alteration of any rights attaching to the Participating Shares of the Fund offered hereby or with respect to any proposed material changes to the investment objectives and policies of the Fund, such changes require the approval of a majority in interests of the relevant Participating Shareholders). The Management Share carries one vote on each poll, does not carry any right to participation in the net profits of the Fund and on a winding up rank only for return of the capital paid up thereupon.

Except as to any side letter arrangements permissible between the Fund and individual Participating Shareholders, every Participating Share has equal rights and privileges with every other Participating Share within its Class, and has voting rights in respect of its Class. In the event of the receivership, liquidation or dissolution of the Fund, the net assets of each Class of the Fund will be distributed proportionally among all the outstanding Participating Shares of that Class.

In providing services to the Fund, neither the Investment Manager nor the Administrator acts as guarantor or offeror of the Participating Shares.

Participating Shares

The Fund's Articles provide that the Participating Shares shall have the following rights and restrictions:

- i. The holders of Participating Shares shall not be entitled to receive notice of and attend and vote at any general meeting of the Fund or upon any written shareholders' resolution.
- ii. On a winding up or other return of capital, the holders of the Participating Shares shall have the right to repayment of the amount paid on them out of the assets of the Fund.
- iii. Subject to the Companies Act, the restrictions contained in this sub-paragraph (iii) and at the absolute discretion of the Directors, a dividend may be declared and paid to the holders of any Participating Shares out of the profits of the Fund or out of any other account of the Fund (including, to the extent permitted by the Companies Act, from the share premium account).
- iv. Except as otherwise provided in the Articles, each Participating Share shall rank equally in priority and preference with every other Participating Share of the same Class.
- v. Subject to the discretion of the Board of Directors of the Fund, each Class of Participating Shares may have its own distinctive investment strategies, terms of management fees and performance fees, lock-up period, dividend payment policies, and any other terms of investment management so customized for that particular Class of Participating Shares.

Dividend Policy

Payment of any dividends will be retained by the Fund for future investment at the discretion of the Directors.

Expenses of the Fund

The Fund will bear all its own expenses (see "FEES AND EXPENSES" below). The Investment Manager bears its own expenses incurred in the operation of its business (such as rent for office space, telephone lines, salaries, market news and quotation equipment, and computer facilities).

Investment Adviser

Subject to the terms of the Investment Management Agreement, the Fund or the Investment Manager may appoint one or more investment advisers ("**Investment Adviser**") to provide investment management services and/or to provide investment advisory services to it.

Administrator

The Fund has appointed NuBright Fund Services Limited as the administrator ("**Administrator**") pursuant to the terms of the administration agreement ("**Administration Agreement**") between the Fund and the Administrator. The summary description set out below of the Administration Agreement is subject in all respects to the terms and conditions of the Administration Agreement. The Administrator provides administrative, registrar and transfer agency services to the Fund. Subject to the supervisory oversight of the Directors, the Administrator carries out the day to day administration of the Fund. The Administrator does not act as a guarantor of Participating Shares herein described and will not be responsible for any investment advisory services to the Fund and therefore will not be in any way responsible for the performance of the Fund. The Administrator will not be responsible for monitoring any investment restrictions or compliance with any investment restrictions of the Fund and therefore will not be responsible for any breach thereof. The Directors meet periodically to review the services and continued appointment of the Administrator and other service providers.

The Fund reserves the right to change the administration arrangements described above by agreement with the Administrator and/or, in its discretion, to appoint an alternative administrator without prior notice to Participating Shareholders who will be notified in due course of any change to the Administrator.

The Administrator is domiciled in Hong Kong and subject to the anti-money laundering regime of Hong Kong.

This Administration Agreement shall become effective from the date hereof and shall continue in full force and effect until terminated in accordance with its terms or as provided in this clause. The Fund may at any time terminate the Administration Agreement by giving a prior written notice of termination no less than ninety (90) days before the intended date of termination.

The Administrator shall not be liable for any losses arising by virtue of any such information or communication being inauthentic or inaccurate or any communication transmitted to or from the Administrator having been interfered with or manipulated by any person, any loss suffered by the Fund or any other person or entity by reason of any error in such calculations by the Administrator resulting from any inaccuracy in such prices, pricing services or pricing mechanisms used by it, any loss of any nature whatsoever suffered by the Fund in connection with the performance by the Administrator of its obligations under the Administration Agreement, except a loss resulting directly from gross negligence, wilful misconduct or fraud on the part of the Administrator, any indirect, special or consequential loss howsoever arising.

The Administrator shall not be liable to the Fund for any loss, liability, claim, cost or expense suffered by any person as a result of the Administrator (i) having relied absolutely or in part upon the authority, accuracy, truth and completeness of information so provided to it including, without limitation, information supplied to the Administrator by or on behalf of the Fund in relation to trades in respect of the assets of the Fund and in relation to the expenses of the Fund; or (ii) having relied absolutely or in part upon the authority, accuracy, truth and completeness of information furnished to the Administrator by or on behalf of the Fund or any prices, pricing sources or pricing mechanisms selected by the Fund, or any other prices, pricing sources or pricing mechanisms used by the Administrator, in the course of the Administrator discharging its duties with respect to the calculation of the net asset value of the Fund.

The Administrator shall not be liable in respect of any action taken or omitted to be taken under the Administration Agreement in accordance with a legal opinion or other advice of a reputable professional advisor approved by the Fund (such approval not to be unreasonably withheld) or at the discretion of the Fund or its agents pursuant to the Administration Agreement or if the Fund has not given or procured that the Administrator be given such information as the Administrator may reasonably require in order to perform its obligations under the Administration Agreement or for any delay in the provision of such information to the Administrator, and the Fund acknowledges that the Administrator has no responsibility for nor duty to perform any investigation as to the completeness, accuracy or sufficiency of any information provided to it by the Fund in connection with the performance of its duties under the Administration Agreement and shall not be responsible to any person whatsoever for any liability, loss, damage, claim, cost or expense suffered or incurred as a result of the Administrator relying upon such information.

Where the Administrator has no signatory or approval rights to the Fund's bank account (this refers to the bank account where subscription money is received and redemption/expenses are paid out of), the Administrator shall not be liable for any inaccuracy, any act of fraud or misappropriation or money laundering or terrorist financing or any type of irregularity whatsoever, including in respect of "know your customer" requirements, relating to the Fund's bank account.

Where the Administrator has no access to the Fund's broker account or the Fund's broker statements are not sent out directly by the Fund's broker, the Administrator shall not be liable for any inaccuracy, any act of fraud or misappropriation by the broker, including the resulting impact of transactions with respect to the broker itself or the financial position of the Fund's broker account or the net asset value of the Fund.

Auditor

The Fund has engaged Baker Tilly China Certified Public Accountants Shanghai Branch (“Auditor”) to provide professional auditing service to the Fund pursuant to the service agreement between the Auditor and the Fund. The audit shall be carried out annually in accordance with IFRS, and the audited accounts of each financial year of the Fund will be sent to the FSC within six months of such Financial Year End or within such extension of that period as the FSC may allow. The Fund’s audited financial statements will not include a detailed listing of positions held by the Fund. Such confidentiality is maintained for the purpose of preventing third-parties from using information concerning the Fund’s position to its detriment. Consequently, Participating Shareholders will have very limited information with which to evaluate the Investment Manager’s implementation of the investment strategy.

Prime Broker

The Fund may appoint one or more prime brokers (each, a “**Prime Broker**”) through which it will acquire and hold assets. The Investment Manager will determine which Prime Broker will carry the Fund’s trading accounts, and execute and clear investments. Such Prime Broker will be responsible for holding and maintaining those portions of the Fund’s assets, funds, investments, and other property deposited with it, execution and/or clearance of transactions for the Fund’s accounts, record-keeping, preparation and transmittal to the Fund of daily confirmations of transactions and monthly statements of account, calculation of the equity balances and margin requirements for the Fund’s accounts, and similar functions. Banks, brokers and dealers will be selected on behalf of the Fund on the basis of their ability to effect prompt and efficient executions at competitive rates. Portfolio assets of the Fund not held by brokers and dealers will be held by a qualified bank custodian.

The Prime Broker shall be entitled to such fees and disbursements as is agreed with the Fund on their normal terms of business.

Custodian

The Fund may appoint custodians which will be responsible for the safe-keeping of the Fund’s assets (each, a “**Custodian**”).

The Fund reserves the right to change the custody arrangements described above by an agreement with the Custodian and/or, in its discretion, to appoint additional custodian(s). Participating Shareholders shall be notified of such changes in the custody arrangement and/or any other material risks and significant changes (if any) associated with the custody arrangement of such Custodian.

The Custodian appointed shall be entitled to such fees and disbursements as is agreed with the Fund on their normal terms of business.

BVI Legal Counsel

Loeb Smith (BVI) Ltd. (“**Loeb Smith**”) is Legal Counsel to the Fund as to matters of BVI law. Loeb Smith does not represent investors in the Fund, and no independent counsel has been retained to represent investors in the Fund. Loeb Smith is not responsible for any acts or omissions of the Fund and/or the Investment Manager (including their compliance with any guidelines, policies, restrictions or applicable law, or the selection, suitability or advisability of their investment activities) or any administrator, accountant, custodian/prime broker or other service provider to the Fund. Accordingly, each prospective Participating Shareholder is urged to consult with its own legal counsel before investing in the Fund. Loeb Smith’s representation of the Fund is limited to specific matters as to which it has been consulted by the Fund. There may exist other matters which could have a bearing on the Fund as to which Loeb Smith has not been consulted. In addition Loeb Smith does not undertake to monitor the compliance of the Fund with the investment program, valuation procedures and other guidelines set forth herein, nor does it monitor compliance with applicable laws. In advising as to matters of law (including matters of law described in this Private Placement Memorandum), Loeb Smith has relied, and will rely, upon representations of fact made by the Directors, the Investment Manager and other

persons in this Private Placement Memorandum and other documents. Such advice may be materially inaccurate or incomplete if any such representations are themselves inaccurate or incomplete, and legal counsel generally will not undertake independent investigation with regard to such representations.

Other Service Providers

The Fund may appoint or engage other service providers as the Directors deem necessary and appropriate acting with care and diligence to provide other services in relation to and with respect to compliance, legal, operation, execution, tax planning, placement and offering, valuation, cash monitoring, accounts, filing, registration and the like.

Reports

The Fund's books of account (i.e. its financial statements) will be audited as at each Financial Year End by the Auditor. However the Fund may apply to the FSC for an extension of such period in certain circumstances. Audited financial statements will generally be kept by the Fund, in accordance with IFRS.

NET ASSET VALUATION

The net asset value of the Fund ("**Net Asset Value**") is equivalent to the Fund's gross assets less its gross liabilities as at the Valuation Point on each Valuation Day under the overall supervision and direction of the Directors in accordance with the terms below.

Determination of Net Asset Value

The net asset value of the Fund, including each Class and each Series within a Class of Participating Shares ("**Net Asset Value**") is equivalent to its gross assets less its gross liabilities as at the Valuation Day in accordance with this Private Placement Memorandum. The value of the securities held by the Fund will be calculated in accordance with IFRS. Any securities and instruments held by the Fund for which there is no clear valuation (e.g., no quoted prices) are assigned a fair value determined (in good faith) by the Investment Manager. The Investment Manager shall set forth the basis of such valuation in a written valuation memorandum, a copy of which shall be retained in the Fund's records, and shall provide a copy of such memorandum to the Administrator and/or the Fund's auditor.

A new Series of Participating Shares will be issued on each Subscription Date and each Series of Participating Shares of a particular Class will typically have a different Net Asset Value to each other Series of Participating Shares. The subscription monies of each Class will be pooled together for investment purposes.

The redemption price payable for Participating Shares, and the calculation of Management Fees due to the Investment Manager, will be based upon the Net Asset Value per Participating Share of any Series within any Class of Participating Shares. Fees and expenses that relate to a particular Series of Participating Shares will be charged against that Series when computing the Net Asset Value. Other fees and expenses will be allocated pro rata between the Series in accordance with their respective Net Asset Value, or otherwise at the discretion of the Investment Manager. However, the Shareholdings of each Participating Shareholder within a given Series will be periodically adjusted for variations in issuance dates and loss carry forwards, permitting a common Net Asset Value to be reported for each Series with a particular Class.

The Net Asset Value per Participating Share of each Series within any Class is determined by the Net Asset Value of each Series of the relevant Class divided by the number of Participating Shares of that Series in issue or deemed to be in issue rounded to eight (8) decimal places.

The Net Asset Value of the Fund's assets will be determined in good faith, along with the following valuation principles.

- (a) Any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at its closing price as at the Valuation Point (save when no closing price is available, that investment is valued at the last traded price), on the relevant Valuation Day, and as adjusted in such manner as the Investment Manager thinks fit, having regard to the size of the holding. Where prices are available on more than one exchange or system for a particular security the price will be the closing price on the exchange which constitutes the main market for such security or the one which the Investment Manager determines provides the fairest criteria in ascribing a value to such security.
- (b) Any security which is not listed or quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available will be valued at its probable realisation value as at the Valuation Point, as determined by the Investment Manager having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Investment Manager deems relevant in considering a positive or negative adjustment to the valuation.

- (c) Investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued as at the Valuation Point by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price as at the Valuation Point on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Investment Manager may determine which market shall prevail.
- (d) Investments, other than securities, including over-the-counter derivative contracts, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued by reference to the valuation obtained from an independent pricing source, but where no such valuation is available for a particular investment, the investment will be valued by comparing the latest available valuation provided by the relevant counterparty against the valuation provided by such other counterparties as the Investment Manager deems appropriate. In the event that the valuations provided respectively by the relevant counterparty and the other counterparties differ to an extent that the Investment Manager considers to be material, the investment shall be valued on the basis of the average of all of the valuations but otherwise will be valued on the basis of the valuation provided by the relevant counterparty.
- (e) Deposits will be valued at their cost plus accrued interest.
- (f) Any value (whether of a security or cash) otherwise than in base currency of the Fund will be converted into the base currency at the rate (whether official or otherwise) which the Investment Manager deems appropriate to the circumstances having regard, inter alia, to any premium or discount which it considers may be relevant and to costs of exchange.

Under IFRS, if an asset or liability measured at fair value has a bid price and an ask price (for example, an input from a dealer market), the price within the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value. The use of bid prices for asset positions and ask prices for liability positions is permitted, but is not required. IFRS does not preclude the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. However, under the valuation basis described above, listed investments are generally expected to be measured at the closing price but there could be instances or circumstances where such closing price used is not within the bid-ask spread as required under IFRS which may lead to different valuation had the valuation be performed in accordance with IFRS.

A security purchased, and awaiting payment against delivery, shall be included for valuation purposes as a security held, and the cash account shall be adjusted by the deduction of the purchase price, including brokers' commissions or other expenses of the purchase. A security sold but not delivered pending receipt of proceeds shall be valued at the net sales price.

Net Asset Value will include any unrealized profit or loss on open positions and any other credit or debit accruing to the Fund but unpaid or not received by the Fund. Interest earned on the Fund's brokerage account, if any, will be accrued at least monthly. The amount of any dividend declared by the Fund, and of any redemption proceeds due but not yet paid, will be treated as a liability from the day when the distribution is declared, or the related redemption is effective, as applicable, until it is paid. Any Management Fee calculated with respect to a particular Class or Series will be debited against the Net Asset Value of such Class or Series.

The Investment Manager may make adjustments to the value of securities to best reflect their fair market value. All matters concerning the valuation of securities, the allocation of profits, gains, and losses among the Participating Shareholders, and accounting procedures not specifically and expressly provided for by the Fund's Articles, shall be determined by the Investment Manager or and shall be final and conclusive as to all of the Participating Shareholders.

To the extent the Fund invests in and trades securities for its own account, all securities held by the Fund shall be valued in accordance with the foregoing valuation guidelines.

Additional Information on Special Investments

Given the nature of Special Investments, the Net Asset Value which relate to such illiquid securities cannot be determined with the same degree of certainty as would be the case for the Fund's liquid investments. Securities for which no market prices are available will be valued as the Directors may reasonably determine. The determination of the value of securities may be based on factors including the nature of the securities, the restrictions applicable to them, model-based valuation techniques, broker quotes, market valuation of similar securities, valuation of underlying components and collateral, valuation of securities at their conversion value, third party appraisals, recent trading activity and other observable market conditions that would affect the fair value of the securities. If the Directors determine that the valuation of any securities pursuant to the forgoing provisions does not fairly represent the market value, the Directors shall use such other methods to value such securities as they determine in their discretion and shall set forth the basis of such valuation in writing in the records of the Fund (as applicable, such as resolutions of the Directors in writing or minutes of a meeting of the Directors). All other assets (except goodwill) and liabilities of the Fund shall be assigned such value as the Directors may determine in their discretion. The Directors may obtain independent valuations of these assets from time to time. All matters concerning valuation of securities and other assets or liabilities, as well as accounting procedures, not expressly provided for in the Fund's respective Articles and this Private Placement Memorandum may be determined by the Directors, whose determination is final and conclusive as to all shareholders.

Suspension of Determination of Net Asset Value and Redemption

The Directors may declare a suspension or postponement of the determination of Net Asset Value (and the applicable Valuation Day) of the Fund, and/or the issue of Participating Shares (and the applicable Subscription Date) in respect of the Fund, and/or the redemption of Participating Shares (and the applicable Redemption Date) in respect of the Fund, and/or the payment of any amount to a redeeming Participating Shareholder in connection with the redemption of Participating Shares (even if Valuation Days and Redemption Dates are not suspended or postponed) in respect of the Fund for the whole or any part of any period in which, in the opinion of the Board of Directors, it is not reasonably practicable to value a significant portion of the investments of the Fund's assets for any of the following reasons:

- i. when circumstances exist as a result of which in the opinion of the Directors it is not reasonably practicable for the Fund to dispose of investments or as a result of which any such disposal would be materially prejudicial to Participating Shareholders;
- ii. when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or the Net Asset Value or the Subscription Price per Participating Share or Redemption Price per Participating Share or when for any other reason the value of any of the investments or other assets of the Fund or the Net Asset Value or the Subscription Price per Participating Share or Redemption Price per Participating Share of any Class cannot in the opinion of the Directors reasonably or fairly be ascertained or cannot be ascertained in a prompt and accurate manner;
- iii. the Fund is unable to find banks that are willing to provide it with bank accounts and/or banking services or have had their existing bank accounts closed or operations suspended by their banks;
- iv. during the existence of any state of affairs (including, without limitation, cyber-security threats) which in the opinion of the Directors constitutes an emergency as a result of which receivership or liquidation by the Fund of its investment positions is not reasonably practicable or would be seriously prejudicial to the Fund and its Participating Shareholders;
- v. during which the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Participating Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Participating Shares cannot in the opinion of the Directors be effected at normal rates of exchange;

- vi. during which the business operations of the Investment Manager, the Administrator or their delegates in respect of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, pandemic, epidemic, riot, strikes or acts of God;
- vii. when in the opinion of the Directors such suspension, delay or extension is required by law or applicable legal process or the issue, redemption or transfer of Participating Shares would result in the violation of any applicable law;
- viii. where the Fund is invested in one or more managed funds, and the redemption of interests in a relevant managed fund is suspended or restricted;
- ix. where the Fund has issued or is expected by the Directors to issue within the next 60 days a notice to convene an extraordinary Class meeting of the holders of one or more Classes of Participating Shares;
- x. during a Soft Wind-Down of the Fund as described above.

Any such suspension shall take effect at such time as the Directors shall declare but not later than the close of business on the Business Day next following the declaration, and shall remain in effect until the Directors shall declare the suspension to be at an end, except that such suspension shall terminate in any event on the first Business Day on which both the condition giving rise to the suspension shall have ceased to exist, and no other condition under which suspension is authorised shall exist.

All affected Participating Shareholders will be notified of any such suspension and the ending of such suspension in such manner as the Directors determine. All reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

REDEMPTION AND TRANSFER OF THE FUND'S PARTICIPATING SHARES

Participating Shares of any Class and Series of the Fund may be redeemed as of the first Business Day of each calendar month, or such other days as may from time to time be determined by the Directors (each a "**Redemption Date**").

Redemptions shall be made only upon notification to the Fund and the Administrator, by providing a completed redemption form by 5:00 pm (Hong Kong time) on the Business Day falling at least thirty (30) calendar days (or such lesser period as the Board may generally or in any particular case determine) prior to the relevant Redemption Date (the "**Notice Period**").

Requests for redemptions received after that time will be held over until the next following Redemption Date and Participating Shares will be redeemed at the relevant Redemption Price applicable on that Redemption Date. Redemption proceeds will not be paid, however, until such time as the Administrator has received an original signed redemption request, the finalization of the relevant Net Asset Value of the Fund and receipt of (i) all applicable documentation to verify the identity of the proposed recipient of the proceeds and (ii) any outstanding AML/KYC documents or information.

In the event of a partial redemption, a Participating Shareholder must redeem a minimum of US\$50,000 and shall maintain a minimum investment balance, after giving effect to the redemption, of not less than US\$100,000. The Board, in its sole discretion, may waive this minimum investment balance. The Fund may waive or modify such minimums, or any redemption conditions or requirements at the discretion of the Board.

Further, no redemption form, and/or any other communication or instructions sent by the Participating Shareholder to the Administrator will be deemed to have been received by the Administrator unless receipt is acknowledged in writing by the Administrator. Exceptions are made where the delivery of the communication

has been acknowledged by a signed receipt. In cases of email, the original redemption request must follow promptly to the address of the Administrator.

Payments for redemptions are generally made within fifteen (15) Business Days of the effective Redemption Date subject to the finalization of the relevant Net Asset Value of the Fund and receipt of all applicable documentation requested by the Administrator; however, in the event a holder of Participating Shares redeems 90% or more of the Net Asset Value of such Participating Shares (or if a redemption, when combined by all other redemption effected by such Participating Shareholder during the preceding 12 months, would result in such Participating Shareholder having redeemed 90% or more of the Net Asset Value of their Participating Shares during such period), either voluntarily or mandatorily, as discussed below in the section headed "Compulsory Redemption", the Participating Shareholder will be obligated to refund (within 30 days of demand) any overpayment in redemption proceeds paid to the Participating Shareholder that may be determined by the Directors, after the Company's annual audit for the year in which the redemption was made, after taking account of any adjustment made to the relevant Redemption Price as a result of such audit.

Redemption Gate

Where redemption requests are received for the redemption of Participating Shares which represent, in aggregate, more than 25% of the Net Asset Value of the Fund or such higher percentage as the Directors determine, the Fund **may** reduce the requests rateably and pro rata among all Participating Shareholders seeking to redeem Participating Shares on the relevant Redemption Date and to carry out only sufficient redemptions which, in aggregate, amount to 25% (or such higher percentage as the Directors determine) of the Net Asset Value of the Fund. Redemption requests which are not fulfilled but which would otherwise have been redeemed will be redeemed on the next Redemption Date (subject to further deferral if the deferred requests themselves exceed 25% of the Net Asset Value of the Fund or such higher percentage as the Directors determine) in priority to any other Participating Shares for which redemption requests have been received. Participating Shares will be redeemed at the Redemption Price prevailing on the Redemption Date on which they are redeemed.

In certain circumstances stated herein, the Directors, after consultation with the Investment Manager, may suspend the valuation of the Fund's assets, and/or the right or obligation to honour redemption requests (including the right to receive redemption proceeds), and/or extend the period for payment on redemption. The Board has reserved the right, in its sole discretion and without notice, to require any Participating Shareholder to redeem entirely from the Fund, for any reason or no reason.

The Board may establish reserves for expenses, liabilities or contingencies which could reduce the amount of a distribution upon redemption.

At the discretion of the Directors, any redemption by a Shareholder may be subject to a charge, as the Investment Manager may reasonably require, in order to defray the costs and expenses of the Fund in connection with such redemption including, without limitation, any charges or fees imposed by any Fund investment in connection with a corresponding withdrawal or redemption by the Fund from such investment or any other costs associated with the sale of any of the Fund's portfolio investments.

The price per share at which Participating Shares will be redeemed (the "**Redemption Price**") will be the prevailing Net Asset Value per share for the relevant Series or Class of Participating Shares, less any accrued Performance Fee, determined as of the close of business on the relevant Redemption Date. Redemptions will be accounted for on a first in, first out basis with respect to each individual Participating Shareholder's investments, in the event that a Participating Shareholder has more than one investment.

The Directors may, in their discretion, make distributions to any Participating Shareholder wholly or in part in securities or other assets of the Fund but no Participating Shareholder shall have the right, however, to require distributions in property other than cash. Any redemption in kind approved by the Directors will not materially prejudice the interests of the remaining Participating Shareholders.

No redemption form, and/or any other communication or instructions sent by the Participating Shareholder to the Administrator will be deemed to have been received by the Administrator unless receipt is acknowledged in writing by the Administrator. Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt.

Compulsory Redemption and Transfer

The Directors have the right to require the compulsory transfer or compulsory redemption of some or all Participating Shares held by a Participating Shareholder (i) if in the sole and conclusive opinion of the Directors such ownership gives rise to a breach of any law or regulation in any jurisdiction applicable to the Fund; or (ii) if, in the opinion of the Directors, such ownership could result in adverse tax, legal or regulatory consequences to the Fund or its Participating Shareholders; or (iii) if such ownership, in the opinion of the Directors, may be harmful or injurious to the business of the Fund; or (iv) if such ownership in the opinion of the Directors, may cause the Fund to be required to comply with any law, regulation, registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply, or (v) for any other reason at the discretion of the Directors. Until such required transfer or redemption is effected, the holder of such Participating Shares shall not be entitled to any rights or privileges attaching to such Participating Shares. Unless otherwise determined by the Board, compulsory redemptions will be made at the Redemption Price per Participating Share on the next Redemption Date following the issuance of a notice of redemption to the Participating Shareholder.

Modification of Rights of Participating Shareholders

Whenever the capital of the Fund is divided into different Series within Classes the special rights attached to any such Class or Series may (unless otherwise provided by the terms of issue of the Series of that Class of Participating Shares) only be materially *adversely* varied or abrogated either whilst the Fund is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of a three-fourths majority of the issued Shares of the relevant Class or Series or with the sanction of a resolution passed at a separate meeting of the holders of the Series of that Class of Participating Shares by a three-fourths majority of the votes cast at such a meeting, but not otherwise. To every such separate meeting all the provisions of the Fund's Articles relating to general meetings of the Fund or to the proceedings thereat shall, *mutatis mutandis*, apply except that the necessary quorum shall be two or more persons at least holding or representing by proxy three-fourths of the issued Participating Shares of the relevant Series of such Class and that every Participating Shareholder of the applicable Series of such Class shall on a poll have one vote for each Participating Share held by him within the Series of that Class. For such purposes the Directors may treat all the Classes and Series of Participating Shares or any two or more Classes and Series of Participating Shares as forming one if they consider that all such Classes and Series would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes and Series.

The rights conferred upon the holders of the Participating Shares of any Class or Series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Participating Shares of that Class or Series, be deemed materially adversely varied or abrogated by, inter alia, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them, the redemption or repurchase of any Participating Shares or any modification of the fees payable to any service provider to the Fund.

FEES AND EXPENSES

Management Fee

The Investment Manager will charge a management fee of CNH 100,000 per annum on the Fund (payable monthly at a rate of 1/12 of CNH 100,000) subject to such higher or lower adjustment as may be determined at the discretion of the Investment Manager (the “**Management Fee**”) with the Management Fee for the first year to be paid within one month after the launch of the Fund. From the second year, the Management Fee shall be prepaid at the same time of each year.

The Management Fee payable with respect to SI Shares shall be allocated at a pro rata base.

Subject to the foregoing, a *pro rata* portion of the Management Fee will be paid out of any initial or additional capital contributions to the Fund on any date that does not fall on the first day of a calendar month, based on the number of days remaining in such partial month. No portion of the Management Fee will be refunded in connection with any Participating Shareholder redemption occurring prior to a Redemption Date.

Performance Fee

The Fund will pay the Investment Manager a performance-based fee equivalent to five percent (5%) of the appreciation in the Net Asset Value per Participating Share above the original investment proceeds (to the extent such investment profits are positive) of each relevant Series and Classes of its Participating Shares (the “**Performance Fee**”).

Investment profit in respect of Participating Shares is the amount by which the Net Asset Value per Share of the relevant Series as at the last Valuation Day of the calendar month or the Valuation Day relating to the Redemption Date on which the Participating Shares are redeemed, exceeds the original investment proceeds multiplied by the number of Participating Shares of the relevant Series in issue as at the end of the relevant calendar month or, in the case of a redemption, the number of Participating Shares being redeemed.

In regard to the Special Investment, when a Special Investment is made, a portion of Participating Shares will be redeemed and cancelled, with the proceeds used to acquire the requisite number of SI Shares to reflect the purchase price of the Special Investment. The Subscription Price for the newly created Class of SI Shares will be US\$10,000 per SI Share and the peak Net Asset Value for the new Class of SI Shares created will be fixed at US\$10,000 per SI Share. Upon the disposal of such Special Investment, there is no Performance Fee calculated for Such Class of SI Shares.

The Performance Fee will be only calculated and payable to the Investment Manager at the time when the redemption is made to the respective Participating Shareholder.

The Directors may reach agreement with the Investment Manager whereby the Investment Manager agrees in its sole discretion to reduce or waive any applicable Management Fee and any applicable Performance Fee with respect to Participating Shareholders, and the Board may declare separate Classes of Participating Shares for such purpose.

Modifications of Management and Performance Fees

The Directors may, subject to reaching prior agreement from the Investment Manager to do so, enter into arrangements with one or more Participating Shareholders or prospective Participating Shareholders under which any Management Fee chargeable and/or any Performance Fee chargeable is reduced, waived, or calculated differently with respect to such Participating Shareholder, including, without limitation, Participating Shareholders who are members, Affiliates or employees of the Investment Manager, members of the immediate families of such persons and trusts or other entities for their benefit, or Participating Shareholders that make a substantial investment or otherwise are determined by the Directors in its sole discretion to represent a strategic relationship.

Administration Fees

The Fund has appointed the Administrator and will pay the Administrator an administration fee at rates agreed with the Administrator from time to time, as well as other administrative, transaction, registrar fees, and other fees for services as agreed by the Directors and the Administrator from time to time. The fee will be calculated as at each Valuation Day and will be payable monthly in arrears. The Administrator will also be entitled to various transaction and processing fees and to be reimbursed for all out of pocket expenses properly incurred by it in the performance of its duties. The Administrator fee and any reimbursement will be in accordance with the Administration Agreement entered into by the Fund.

The Administrator may also charge a standard one-off implementation fee for on-boarding due diligence and review of constitutional documents, payable on registration of the Fund with the FSC for recognition. The Administrator will also provide fund and portfolio accounting services for a fee calculated as a percentage of assets under administration subject to a minimum fixed fee per month. The Administrator will process investor subscription, redemption, distribution, share transfer transactions and perform investor AML checks at a fixed fee per investor per transaction.

FATCA/CRS SERVICES

Registration Fee: The Administrator will charge a standard fixed fee per GIIN application and a standard fixed fee per annum for being the Principal Point of Contact.

On-going Annual Fee: The Administrator will charge a fixed fee per investor based on investors number per annum to maintain up to date information on existing and new investors under CRS and US FATCA, prepare the US and CRS XML reporting schemas and submit the reports to the relevant BVI tax authority based on account information as at the 31st December each year. Additional fees may apply occasionally for time spent by the Administrator on intermittent issues such as legal and regulatory matters which will be agreed mutually before commencing such work. The administration fee is subject to a 5% increase on the 1st of January following the second anniversary of the Administration Agreement and on each 1st of January thereafter. Fees are invoiced monthly in arrears and are due ten (10) calendar Days after the invoice has been sent to the Fund.

Fund Annual Return

An all-inclusive fixed fee per Fund Annual Return will be charged for the preparation of the return per annum.

Brokerage Fee

The Investment Manager will have complete discretion in deciding which banks, brokers and dealers the Fund will use and in negotiating rates of compensation the Fund will pay. The Investment Manager, in allocating portfolio transactions for the Fund to dealing banks and/or brokers, will take into consideration such factors as price, the ability of the counterparties to effect the transactions, the bank or broker's facilities, reliability and financial responsibility, and any research or investment management related services and equipment provided by such institutions.

Custodian Fee

Any Custodian appointed will receive from the Fund a fee for providing custody services to the Fund as set out in the custody agreement.

Under the custody agreement, the Custodian is also entitled to be reimbursed for all out of pocket expenses properly incurred by it in the performance of its duties.

Auditor Fee

Subject to and in accordance with the relevant service agreement, the Auditor will receive a service fee in respect of the Fund at commercial rates agreed with the Fund. In addition, the Auditor is entitled to recover out-of-pocket expenses.

Expenses

All fees, costs and expenses of the Offering and organization of the Fund (including legal and other expenses) shall be paid by the Management Shareholder, Mcking International Limited, but the Management Shareholder, Mcking International Limited will be entitled to be reimbursed for the total costs and expenses of establishing the Fund upon the production of invoices in respect of the same addressed to the Fund) and such costs and expenses of establishing the Fund will be payable out of the proceeds of the initial issue of Participating Shares including the SI Shares (if any).

All expenses incurred by the Investment Manager in rendering services to the Fund in accordance with the terms of the Investment Management Agreement which are approved by the Directors in writing shall be borne by the Fund, except all overhead expenses of an ordinary and recurring nature such as in respect of office rent, furniture and fixtures, salaries, entertainment expenses and employee insurance. In the event of any dispute between the Fund and the Investment Manager as to the calculation or amount of any compensation or remuneration payable to the Investment Manager, the costs of obtaining the determination by a third party adjudicator agreed and selected by both parties shall be equally borne by the Fund and the Investment Manager.

These costs and expenses will be amortised on a straight line basis over a period of 60 months from the date following the initial offer of Participating Shares as determined by the Directors. The Directors may shorten the period over which such costs and expenses are amortised.

Transactional and Related Costs. The Fund will pay all expenses of its operations and business, including, but not limited to, investment-related expenses (e.g., brokerage commissions, clearing and settlement charges, custodial fees, referral fees for procuring investment target, interest expenses, expenses relating to consultants, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments, appraisal fees and expenses, and investment banking expenses); research costs and expenses (including fees for news, quotation and similar information and pricing services); legal expenses (including, without limitation, the costs of on-going legal advice and services, all costs and expenses related to or incurred in connection with the Investment Manager's compliance obligations under applicable securities and investment adviser laws arising out of its relationship to the Fund, as well as extraordinary legal expenses, such as those related to litigation or regulatory investigations or proceedings); any Management Fee; administration fees, accounting fees and audit expenses; stock exchanges, administration fees, accounting fees and expenses; tax preparation expenses and any applicable tax liabilities (including transfer taxes and withholding taxes); other governmental charges or fees payable by the Fund; director and officer and/or errors and omissions liability insurance premiums or fiduciary liability insurance premiums for directors, officers and personnel of the Investment Manager; costs of printing and mailing reports and notices; and other similar expenses of the Fund, as the Investment Manager determines in its sole discretion.

Except as described elsewhere in this Private Placement Memorandum, the Fund will make no payments to the Investment Manager in respect of fees, commissions, or other expenses.

CERTAIN RISK FACTORS

Prospective investors in the Fund are expected to be aware of the substantial risks of investing. Even if qualified to invest on the basis of financial suitability, those who are not generally familiar with such risks may not be suitable investors in the Fund. Investment in the Participating Shares should be made only after consulting with independent, qualified sources of investment and tax advice. The risk factors described below are not a complete list of all factors or circumstances that may adversely affect an investment in Participating Shares, and represent those which the Investment Manager believes are the primary risks. Particular investors may have other circumstances and variables which they may consider to be more significant to their investment decision.

General

General Investment Risks. The Fund's success depends on the Investment Manager's ability to implement its investment strategy. Any factor that would make it more difficult to execute timely trades, such as a significant lessening of liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategies to be used by the Fund will be successful under all or any market conditions.

The Fund may increase its cash position to up to 100% of its assets when the Investment Manager deems it prudent or when a defensive position is warranted in light of market conditions. During such times, interest income will increase and may constitute a large portion of the return and the Fund will not participate in market advances or declines to the extent that it would have if it had been more fully invested.

A potential investor in the Fund should note that the prices of the securities and other instruments in which the Fund invests may be unavailable. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly.

Amortisation of organisational costs. The Fund's financial statements will be prepared in accordance with IFRS. IFRS does not permit the amortisation of organisational costs. Notwithstanding this, the Fund may, at the discretion of the Directors, amortise their organisational costs over a period of time and this may result in the Directors making adjustments in the annual financial statements in order for the financial statements to be in compliance with IFRS or a qualification in the auditor's report.

Investment and Trading Risks. All investments involve the risk of a loss of capital. The Investment Manager believes that the Fund's investment program and its research and risk-management techniques moderate this risk through the careful selection of securities and other financial instruments and/or portfolio construction. No guarantee or representation is made that the Fund's investment program will be successful, and investment results may vary substantially over time.

Risks Related to Disease Epidemics.

The outbreak of a novel coronavirus (which causes the disease now known as COVID-19) is now a global pandemic and the efforts of governments to contain the spread of the coronavirus through lockdowns of cities, business closures, restrictions on travel and emergency quarantines, among others, and responses by businesses and individuals to reduce the risk of exposure to infection, including reduced travel, cancellation of meetings and events, and implementation of work-at-home policies, among others, have caused significant disruptions to the global economy and normal business operations across a growing list of sectors and countries. The foregoing are likely to adversely affect business confidence and consumer sentiments, and have been, and may continue to be, accompanied by significant volatility in financial and commodity markets. The COVID-19 pandemic has caused a worldwide health crisis, and this is having broader macro-economic implications, including reduced levels of economic growth and possibly a global recession, the effects of which could be felt well beyond the time the spread of infection is contained, and the effect of which will have an effect on the Fund's value, the Fund's investments, and/or the Fund's ability to source new investments.

Instruments Traded

Securities. The value of the securities held by the Fund are subject to market risk, including changes in bankruptcy, economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, the securities are more volatile and more risky than some other forms of investment.

Option Transactions. The purchase or sale of an option by the Fund involves the payment or receipt of a premium payment and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying investment for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying investment does not change in price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying investment in excess of the premium payment received.

Small- and Medium-Capitalization Stocks. The Fund may invest its assets in stocks of companies with smaller market capitalizations. Small and medium-capitalization companies may be of a less seasoned nature or have securities that may be traded in the over-the-counter market. These “secondary” securities often involve significantly greater risks than the securities of larger, better-known companies. In addition to being subject to the general market risk that stock prices may decline over short or even extended periods, such companies may not be well-known to the investing public, may not have significant institutional ownership and may have cyclical, static or only moderate growth prospects. Additionally, stocks of such companies may be more volatile in price and have lower trading volumes than larger capitalized companies, which results in greater sensitivity of the market price to individual transactions. Accordingly, investors in the Fund should have a long-term investment horizon.

Small and medium capitalization securities may be followed by relatively few securities analysts with the result that there tends to be less publicly available information concerning these securities compared to what is available for exchange-listed or larger companies. The securities of these companies have more limited trading volumes than those of larger issuers and may be subject to more abrupt or erratic market movements than the securities of larger, more established companies or the market averages in general, and the Fund may be required to deal with only a few market makers when purchasing and selling these securities. Transaction costs in small and medium-capitalization stocks may be higher than those involving larger capitalized companies. Companies in which the Fund may invest may also have limited product lines, markets or financial resources and may lack management depth and may be more vulnerable to adverse business or market developments.

Exchange Traded Funds. The Fund may invest in ETFs. ETFs are a recently developed type of investment security, representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. As a relatively new type of security, the trading characteristics of ETFs may not yet be fully developed or understood by potential investors. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETFs performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

Derivative Investments. Derivatives are financial contracts whose value depends on, or is derived from, an underlying product, such as the value of a securities index. The risks generally associated with derivatives include the risks that: (1) the value of the derivative will change in a manner detrimental to the Fund; (2) before purchasing the derivative, the Fund will not have the opportunity to observe its performance under all market conditions; (3) another party to the derivative may fail to comply with the terms of the derivative contract; (4) the derivative may be difficult to purchase or sell; and (5) the derivative may involve indebtedness or economic leverage, such that adverse changes in the value of the underlying asset could result in a loss substantially greater than the amount invested in the derivative itself or in heightened price sensitivity to market fluctuations.

Derivatives markets can be highly volatile. The profitability of investments by the Fund in the derivatives markets depends on the ability of the Investment Manager to analyze correctly these markets, which are influenced by, among other things, changing supply and demand relationships, governmental, commercial and trade programs and policies designed to influence world political and economic events, and changes in interest rates. In addition, the assets of the Fund may be pledged as collateral in derivatives transactions. Thus, if the Fund defaults on such an obligation, the counterparty to such transaction may be entitled to some or all of the assets of the Fund as a result of the default.

Foreign Securities. The Fund may invest in securities and other instruments of foreign corporations and foreign countries. Investing in the securities of companies in, and governments of, foreign countries involves certain considerations not usually associated with investing in securities of United States companies or the United States Government. These include, among other things, political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; differences in withholding and other taxation and certain government policies that may restrict the Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail in foreign countries generally are not equivalent to United States standards and, consequently, less information may be available to investors in companies located in foreign countries than is available to investors in companies located in the United States. There is also less regulation, generally, of the securities markets in foreign countries than there is in the United States.

Currency Trading Risks: *Spot Foreign Currency and Options.* Off-exchange spot foreign currency and options trading on margin ("Forex") involves significant risks, including market risk, interest rate risk and country risk. Market risk results from the price movement of foreign currency values in response to shifting market supply and demand. Interest rate risk arises whenever a country changes its stated interest rate target associated with its currency. Country risk arises because virtually every country has interfered with international transactions in its currency.

The high leverage and low margin associated with forex can result in significant losses due to price changes in foreign exchange contracts and cross currency contracts. The amount of initial margin may be small relative to the value of the foreign currency so that transactions are "leveraged" or "geared". A relatively small market movement may have a proportionately larger impact on the Fund. The Fund may sustain a total loss of initial margin funds and any additional funds deposited with the Broker to maintain its position. If the market moves against the Fund's position or margin levels are increased, the Fund may be called upon to pay substantial additional funds on short notice to maintain its position. If the Fund fails to comply with a request for additional funds within the time prescribed, its positions may be liquidated at a loss and the Fund will be liable for any resulting deficit. The Fund will be required to maintain the minimum margin requirement on its open positions at all times.

The high degree of leverage that is obtainable in the trading of off-exchange foreign currency transactions can work against you as well as for you. Leverage can lead to large losses as well as gains.

Non-U.S. Exchanges and Markets. The Fund may engage in trading on non-U.S. exchanges and markets. Trading on such exchanges and markets may involve certain risks not applicable to trading on U.S. exchanges and is frequently less regulated. For example, certain of those exchanges may not provide the same assurances of the integrity (financial and otherwise) of the marketplace and its participants, as do U.S. exchanges. There also may be less regulatory oversight and supervision by the exchanges themselves over transactions and participants in such transactions on those exchanges. Some non-U.S. exchanges, in contrast to U.S. exchanges, are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has dealt and is not the responsibility of an exchange or clearing association. Furthermore, trading on certain non-U.S. exchanges may be conducted in such a manner that all participants are not afforded an equal opportunity to execute certain trades and may also be subject to a variety of political influences and the possibility of direct government intervention. Investment in non-U.S. markets would also be subject to the risk of fluctuations in the

exchange rate between the local currency and the dollar and to the possibility of exchange controls. Foreign brokerage commissions and other fees are also generally higher than in the United States.

Convertible Securities. Convertible securities (“Convertibles”) are generally debt securities or preferred stocks that may be converted into common stock. Convertibles typically pay current income as either interest (debt security convertibles) or dividends (preferred stocks). A Convertible’s value usually reflects both the stream of current income payments and the value of the underlying common stock. The market value of a Convertible performs like that of a regular debt security; that is, if market interest rates rise, the value of a Convertible usually falls. Since it is convertible into common stock, the Convertible generally has the same types of market and issuer risk as the underlying common stock. Convertibles that are debt securities are also subject to the normal risks associated with debt securities, such as interest rate risks, credit spread expansion and ultimately default risk, as discussed below. Convertibles are also prone to liquidity risk as demand can dry up periodically, and bid/ask spreads on bonds can widen significantly.

An issuer may be more likely to fail to make regular payments on a Convertible than on its other debt because other debt securities may have a prior claim on the issuer’s assets, particularly if the Convertible is preferred stock. However, Convertibles usually have a claim prior to the issuer’s common stock. In addition, for some Convertibles, the issuer can choose when to convert to common stock, or can “call” (redeem) the Convertible. An issuer may convert or call a Convertible when it is disadvantageous for the Fund, causing the Fund to lose an opportunity for gain. For other Convertibles, the Fund can choose when to convert the security to common stock or to put (sell) the Convertible back to the issuer.

Because Convertible arbitrage may involve the purchase of puts or short sale of underlying common stock, which is subject to stock-borrow risk, which is the risk that the Fund will be unable to sustain the short position in the underlying common shares.

Currency Risk. The value of the assets of the Fund may be affected favorably or unfavorably by the changes in currency rates and exchange control regulations. Some currency exchange costs may be incurred when the Fund changes investments from one country to another. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the respective markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates can also be affected unpredictably by intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments. The Fund may seek to mitigate the risk of currency exchange fluctuation through the active and systematic use of currency hedges.

Strategy Risks

Systems Risks. The Fund depends on the Investment Manager to develop and implement appropriate systems for the Fund’s activities. The Fund relies extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to the oversight of the Fund’s activities. The ability of its systems to accommodate an increasing volume of transactions could also constrain the Investment Manager’s ability to manage the portfolio. In addition, certain of the Fund’s and the Investment Manager’s operations interface with or depend on systems operated by third parties, including prime brokers and market counterparties and their respective sub-custodians, and other service providers, and the Fund or Investment Manager may not be in a position to verify the risks or reliability of such third party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by worms, viruses and power failures. Any such defect or failure could have a material adverse effect on the Fund. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the Fund’s ability to monitor its investment portfolio and its risks. The Investment Manager is not liable to the Fund for losses caused by systems failures or due to any breakdown in the means of the communication normally used to ascertain the value of the Fund’s investments or to conduct trading in such investments.

Availability of Investment Strategies. The success of the investment activities of the Fund will depend on the ability of the Investment Manager to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Fund involve a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the Fund's assets or to exploit discrepancies in the securities and derivatives markets. Market factors including, but not limited to, a reduction in market liquidity or the pricing inefficiency of the markets in which the Fund will seek to invest, may reduce the scope for the Fund's investment strategies.

The Fund may be adversely affected by unforeseen events involving, without limitation, such matters as changes in interest rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to short stock or changes in tax treatment.

Lack of Diversification. Although the Fund will structure its portfolio so that investments (both individually and in the aggregate) have desirable risk/reward characteristics, the Fund is not subject to any restrictions with respect to investments in any particular issuer, industry, geography or type of investment. Therefore, the Fund could have a non-diversified portfolio and may have large amounts of assets invested in a limited number of investments. Such lack of diversification substantially increases market risks and the risk of loss associated with an investment in the Fund.

Borrowing. The Fund may use borrowings for the purpose of making investments. The use of borrowing creates special risks and may significantly increase the investment risk of the Fund. Borrowing creates an opportunity for greater yield and total return but, at the same time, will increase the exposure of the Fund to capital risk and interest costs. Any investment income and gains earned on investments made through the use of borrowings that are in excess of the interest costs associated therewith may cause the Net Asset Value of the relevant Participating Shares to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the relevant Participating Shares may decrease more rapidly than would otherwise be the case.

Financing arrangements; availability of credit. Borrowings and leverage may be an integral part of the Fund's strategies and may include the use of securities margin, futures margin, margined option premiums, repurchase agreements, bank or dealer credit lines or the notional principal amounts of swap transactions. There can be no assurance that the Fund will be able to maintain adequate financing arrangements under all market circumstances.

Where the Fund makes use of such borrowings to initiate long or short positions and the positions decline in value, it will usually be subject to a "margin call", pursuant to which it must either deposit additional funds with the lender or be subject to sanctions such as the mandatory liquidation of securities over which the lender has been granted security or a mandatory termination of all outstanding contracts with the lender and a claim for compensation for any losses incurred by the lender. In some cases a margin call may be made even if the relevant positions have not declined in value. The Fund would normally satisfy such margin calls in cash or acceptable collateral from its assets and, to the extent that such collateral were insufficient, would liquidate certain assets to raise cash in order to satisfy the relevant margin call. In the event of a large margin call, the Investment Manager might not be able to liquidate assets quickly enough to pay off the margin liability. In such a case, the relevant lender may have the right, in its sole discretion, to liquidate certain assets of the Fund in order to enable the Fund to satisfy its obligations to that lender and/or to close out transactions.

As a general matter, the banks and dealers that may provide financing to the Fund can apply essentially discretionary margin, "haircuts", financing and security and collateral valuation policies. Banks and dealers could change these policies at any time, for any reason, including a change in market circumstances, government, regulatory or judicial action or simply a change in the policy of the relevant bank. Changes by banks and dealers to one or more of these policies, or the imposition of other credit limitations or restrictions may be applied retrospectively to existing contracts as well as prospectively to contemplated future dealing.

Whilst the Investment Manager may seek to limit the rights of lenders to apply such retrospective changes, any such limitation will be subject to the agreement of the relevant lender, which may not be forthcoming. Retrospective changes may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other banks and dealers. Prospective changes may result in the inability of the Investment Manager to fulfil the investment objective. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants simultaneously. The imposition of any such limitations or restrictions could compel the Fund to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a complete loss of the Fund's equity.

Force majeure. Each of the Fund and the Investment Manager are subject to the risks of the effects of events of force majeure outside of their reasonable control which may include, but is not limited to: any strike lockout or other industrial action or any shortage of or difficulty in obtaining labour, fuel, raw materials or components; any destruction, temporary or permanent breakdown, malfunction or damage of or to any premises, plant, equipment (including computer systems) or materials; any breach of contract, default or insolvency by or of any third party, other than a company in the same group as the party affected by the force majeure, or an employee or officer of that party or company; any action taken by a governmental or public authority of any kind, including imposing an embargo, export or import restriction, rationing, quota or other restriction or prohibition; any civil commotion or disorder, riot, invasion, war, threat of or preparation for war; or any accident, fire, or explosion, (other than in each case, one caused by a breach of contract by or assistance of the party concerned) storm, flood, earthquake, subsidence, epidemic or other natural physical disaster.

Execution of Orders. The Fund's trading strategies depend on the ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager. The Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error attributable to employees, brokers, agents or other service providers. In such events, the Fund might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Fund might not be able to make such adjustment. As a result, the Fund would not be able to achieve the market position selected by the Investment Manager, and might incur a loss in liquidating its position.

Operational Risks. The volume and complexity of the Fund's transactions may place substantial burdens on the Investment Manager's operational systems and resources, including those related to trade entry and execution, position reconciliation, corporate actions, marking procedures, finance, accounting, profit and loss reporting, internal management and risk reporting and funds transfers. Human error, system failure or other problems with any of these processes could result in material losses or costs, which will generally be borne by the Fund.

Portfolio Turnover. The Fund may, from time to time, engage in short-term trading. Short-term trading refers to the practice of buying and selling securities held for a short time, ranging from several months to less than a day. The objective of short-term trading is to take advantage of what the Investment Manager believes are changes in a market, industry or individual company. Short-term trading increases the transaction costs of the Fund, which could affect the Fund's performance, and could result in higher levels of taxable realized gains to applicable Participating Shareholders.

Short Selling. The Fund may engage in short selling as part of its general investment strategy. Short selling involves selling securities that are not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the Fund to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, because the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss upon such repurchase. The Fund's obligations under its short sales will be marked to market daily and collateralized by its assets held at the broker, including its cash balance and its long securities positions. Because short sales must be marked to market daily, there may be periods when short sales must be settled prematurely, and a substantial loss would occur. Purchasing

securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short-selling exposes the Fund to unlimited risk with respect to that security due to the lack of an upper limit on the price to which an instrument can rise. Short sales may be utilized to enhance returns and hedge the portfolio. The Fund anticipates that the frequency of short sales will vary substantially in different periods. There are no prescribed limits to the amount of assets that the Fund may subject to short sales.

Highly Volatile Instruments. The prices of financial instruments in which the Fund may invest can be highly volatile. Price movements of forward and other derivative contracts in which assets of the Fund may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of their clearinghouses.

Failure of Broker-Dealers. Institutions, such as brokerage firms or banks, may hold certain of the Fund's assets in "street name." Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of the Fund. In addition, as the Fund may borrow money or securities, the Fund will post certain of its assets as collateral securing the obligations ("**Margin Securities**"). The Fund's broker generally holds the Margin Securities on a commingled basis with margin securities of its other customers and may use certain of the Margin Securities to generate cash to fund the Fund's leverage, including pledging such Margin Securities. Some or all of the Margin Securities may be available to creditors of the Fund's broker in the event of its insolvency. The Fund's broker has netting and set-off rights over all the assets held by it (which may indirectly include amounts held for the Fund's benefit in the special segregated bank account) to satisfy the Fund's obligations under its agreements with the Fund's broker, including obligations relating to any margin or short positions.

Trading on Exchanges. Non-U.S. trading involves risks - including exchange-rate exposure, excessive taxation, possible governmental regulation and lack of regulation. In addition, some non-U.S. markets, in contrast to U.S. exchanges, are "principals' markets" where performance is the responsibility only of the individual member with whom the trader has entered into a contract and not of any exchange or clearing corporation. In addition, the Fund's rights and responsibilities if a non-U.S. exchange or clearing house defaults or declares bankruptcy are likely to be more limited than if a U.S. exchange does the same. Consequently, daily price movements for these instruments may be unlimited, and there can be no guarantee that markets will exist for liquidation of such instruments following investment.

Risk of Default of Exchanges. Exchange-traded futures and/or options on futures contracts may be utilized by Investment Manager and although these exchanges are highly regulated and have never defaulted in the past, there is a risk that these exchanges could fail to perform in clearing executed transactions.

Stop Loss May Not Be Effective. The placement of contingent orders by the Investment Manager, such as a "stop-loss" or "stop-limit" orders, will not necessarily limit the Fund's losses to the intended amounts, since market conditions may make it impossible to execute such orders.

Management Risks

Reliance on the Directors and the Investment Manager and no Authority by Participating Shareholders. All decisions regarding the management and affairs of the Fund will be made exclusively by the Directors and the Investment Manager. Accordingly, no person should invest in the Fund unless such person is willing to entrust all aspects of management of the Fund to the Directors and the Investment Manager. Participating Shareholders will have no right or power to take part in the management of the Fund. As a result, the success of the Fund for the foreseeable future depends solely on the abilities of the Directors and the Investment Manager.

Dependence on Key Personnel. The Investment Manager is dependent on the services of the principals and there can be no assurance that it will be able to retain the principals, whose credentials are described under the heading "INVESTMENT MANAGER". The departure or incapacity of either of the principals could

have a material adverse effect on the Investment Manager's management of the investment operations of the Fund.

Changes in Investment Strategies. The Investment Manager has broad discretion to expand, revise or contract the Fund's business without the consent of the Participating Shareholders. The Fund's investment strategies may be altered, without prior approval by, or notice to, the Participating Shareholders, if the Investment Manager determines that such change is in the best interest of the Fund, provided that such change in investment strategy is not material, in which case a majority in interests of Participating Shareholders must approve such material change.

Absence of Regulatory Oversight. The Fund is not required to, and does not intend to, register with any investment regulatory authority other than the FSC and, accordingly, the Fund is not required to maintain custody of its securities or place its securities in the custody of a bank or a member of a U.S. securities exchange in the manner required of registered investment companies under rules promulgated by, for example, the SEC. A registered investment company which places its securities in the custody of a member of a U.S. securities exchange is required to have a written custodian agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and which contains other provisions complying with SEC regulations. The Fund generally maintains such accounts at brokerage firms which do not separately segregate such assets as would be required in the case of registered investment companies and therefore the bankruptcy of any such brokerage firms might have a greater adverse effect on the Fund than would be the case if the accounts were maintained to meet the requirements applicable to registered investment companies.

The Fund is recognised by the Commission as a Professional Fund pursuant to the provisions of SIBA. Recognition by the Commission does not imply that the Commission or any other regulatory authority in the BVI has approved this Private Placement Memorandum or the offering of Participating Shares hereunder. The Fund's activities are not approved or guaranteed by the Commission or by the government of the BVI and neither the Commission nor the BVI government has any obligation to any investor as to the performance or credit worthiness of the Fund. The Commission shall not be liable for any losses or default of the Fund or for the correctness of any opinions or statements expressed in this Private Placement Memorandum.

There is no financial obligation or compensation scheme imposed on or by the government of the BVI in favor of or available to the investors in the Fund.

Discretionary Decision Making May Result in Missed Opportunities. The Fund's trading strategies do involve some discretionary aspects. Discretionary decision-making may result in failure to capitalize on certain price trends or unprofitable trades in a situation where a strictly systematic approach might not have done so.

Proprietary Nature of Investment Strategy. All documents and other information concerning the portfolio of investments of the Fund will be made available to the Fund's auditors, accountants, attorneys and other agents in connection with the duties and services performed by them on behalf of the Fund. However, because the Investment Manager's investment techniques are proprietary, neither the Fund nor any of its auditors, accountants, attorneys or other agents will disclose to any person, including investors in the Fund, any of the investment techniques employed by the Investment Manager in managing the Fund's investments or the identity of specific investments held by the Fund at any particular time.

Limitations on Liability and Indemnification. The Investment Management Agreement provides that to the fullest extent permitted by law, the Fund shall indemnify the Investment Manager, any of its affiliates, and any of their respective members, managers, partners, directors, officers, or employees (each, an "**Indemnified Person**") against any loss, cost or expense suffered or sustained by such Indemnified Persons by reason of: (i) any acts, omissions or alleged acts or omissions arising out of, or in connection with, the Investment Management Agreement and/or any investment made or held by the Fund, including, without limitation, any judgment, award, settlement, attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding, or claim, provided that such acts, omissions or alleged

acts or omissions upon which such actual or threatened action, proceeding or claim are based did not constitute fraud, willful default or gross negligence by such Indemnified Person; or (ii) any acts or omissions, or alleged acts or omissions, of any broker or agent of any such Indemnified Person, provided that such broker or agent was selected by such Indemnified Person with reasonable care. In addition, the Fund will advance to an Indemnified Person (to the extent that each has available assets and need not borrow to do so) attorneys' fees and other costs and expenses incurred in connection with the defense of any action or proceeding arising out of such performance or non-performance, provided that in the event any such Indemnified Person receives any such advance, it shall reimburse the Fund for such fees, costs and expenses to the extent that it shall be determined that it was not entitled to indemnification under the Investment Management Agreement.

The Investment Management Agreement also provides that except as may otherwise be provided by law, the Investment Manager will not be liable to the Fund for: (i) any loss that the Fund may suffer by reason of any investment decision made or other action taken or omitted in good faith by the Investment Manager with that degree of care, skill, prudence, and diligence under the circumstances that a prudent person acting in a like capacity would use; (ii) any loss arising from the Investment Manager's adherence to the Fund's instructions; or (iii) any act or failure to act by any other third party. The Investment Manager does not guarantee the future performance of the Fund's investments or any specific level of performance, the success of any investment decision or strategy that the Investment Manager may use, or the success of the Investment Manager's overall management of the Fund.

Limited Reporting. The Fund will provide monthly unaudited reports of Fund activity. As a result, Participating Shareholders will not be able to evaluate the Fund's activity at shorter intervals. Additionally, as a result of side letter arrangements, questions, due diligence requests, meetings or other communications, certain Participating Shareholders may receive information that is not generally available or otherwise provided to other Participating Shareholders, which may affect such Participating Shareholders' decision to request a redemption of their respective Shares or take other actions on the basis of such information.

Other Risks

No Operating History. The Fund is a recently formed entity and has no operating history upon which prospective investors can evaluate its likely performance. There can be no assurance that the Fund will achieve its investment objective.

Start-Up Periods. The Fund may encounter start-up periods during which it will incur certain risks relating to the initial investment of newly contributed assets. Moreover, the start-up periods also represent a special risk in that the level of diversification of the Fund's portfolio may be lower than in a fully invested portfolio.

Risk of Loss. A Participating Shareholder could incur substantial, or even total, losses on an of the Fund. An investment in the Fund is only suitable for persons willing to accept this high level of risk.

Emerging Markets. Where the Fund invests in equities or other securities of companies incorporated in, or whose principal operations are in, emerging markets, additional risks may be encountered.

These include:

- (A) **Currency Risk:** the currencies in which investments are denominated may be unstable and/or subject to significant depreciation and/or may not be freely convertible.
- (B) **Country Risk:** the value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties, and existing laws and regulations may not be consistently applied.
- (C) **Market Characteristics:** emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and are not highly regulated, and settlement of transactions may be subject to delay and administrative uncertainties.

- (D) Custody Risk: custodians are not able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian.
- (E) Disclosure: less complete and reliable fiscal and other information may be available to investors.

Investment in the securities of issuers based in emerging markets involves a greater degree of risk than an investment in securities of issuers based in more developed countries. Among other things, emerging market securities investment may carry the risks of less publicly available information, more volatile markets, less strict securities market regulation, less favourable tax provisions, and a greater likelihood of severe inflation, unstable or not freely convertible currency, war and expropriation of personal property as compared with investments in securities of issuers based in more developed countries. In addition, investment opportunities in certain emerging markets may be restricted by legal limits on foreign investment in local securities. Emerging markets are not generally as efficient as those in more developed countries.

In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighbouring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in more developed countries, thereby potentially increasing the risk of fraud or other deceptive practices.

Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the actual circumstances being reported.

Some emerging markets securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale. The issuers of some of these securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in more developed countries and therefore potentially carry greater risk. In addition, settlement of trades in some emerging markets is much slower and subject to a greater risk of failure than in markets in developed countries. Custodians are not able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Fund will not be recognised as the owner of securities held on their behalf by a sub-custodian.

With respect to any emerging market country, there is the possibility of nationalisation, expropriation or confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Fund, political changes, government regulation, social instability or diplomatic developments (including war) which could affect adversely the economies of such countries or the value of the Fund's investments in those countries. The economies of individual emerging countries may differ favourably or unfavourably from the economy of a developed country in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. The economies of emerging countries are generally heavily dependent upon international trade and have therefore been, and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies have also been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of certain of these countries may be based, predominantly, on only a few industries, may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Many emerging markets have underdeveloped capital market structures where the risks associated with holding currency are significantly greater than in other less inflationary markets. Currency exchange rates are highly volatile and subject to severe event risks as the political situation with regard to the relevant foreign government may itself be volatile. Moreover, if the cash flow of the assets is contingent, it may be

difficult to quantify the attendant cross-currency risk, compounding the risk of changes in underlying currencies by the other risks in the portfolio. Correlations between these risks are difficult to quantify and, therefore, difficult to hedge. An inaccurate estimation of the correlation may lead to a faulty hedge and a consequent loss in the portfolio. In highly volatile markets, predictions of correlation based on historical data can diverge dramatically from observed market moves. The Fund may invest in unlisted emerging market securities and may be exposed to emerging market currencies, which may involve a high degree of business and financial risk that could result in substantial losses. Because of the relative absence of any trading market for these investments, it could take longer to liquidate these positions than would be the case for listed securities or it might not be possible to liquidate them at all.

Although these securities may be resold in privately negotiated transactions, the prices realised on such sales could be less than those originally paid by the Fund. Companies whose securities are not listed will not generally be subject to the public disclosure and other investor protection requirements applicable to listed securities.

Economic Wind Downs. Upon the Fund ceasing to carry on business as a mutual fund with a view to economically liquidating all of its remaining investment positions (through bids on the secondary market or otherwise), the Directors of the Fund upon recommendation of Investment Manager may work together with the Investment Manager to carry out a plan of liquidation to economically liquidate all of the Fund's remaining investment positions as they deem appropriate in their sole and absolute discretion (which may include the suspension of redemptions from the Fund) prior to distributing redemption proceeds to investors. During the course of undertaking the economic liquidation, the value of the Fund's investment positions will be subject to performance over such period as the Investment Manager deems appropriate. Fees will be paid during the period of the economic liquidation as such accrue and are payable to the Investment Manager in consideration of its continued services to the Fund and in accordance with the Investment Management Agreement.

Effect of Performance Fee. The Investment Manager will receive a Performance Fee based on a percentage of any net realized and unrealized profits. Performance Fees may create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case in the absence of such incentive compensation arrangements. In addition, the Investment Manager's performance allocations will be based on unrealized as well as realized gains. There can be no assurance that such unrealized gains will, in fact, ever be recognized. Furthermore, the valuation of unrealized gain and loss may be subject to material subsequent revision.

Effect of Substantial Redemptions. Substantial redemptions by Participating Shareholders within a short period of time could require the Fund to liquidate its investments more rapidly than would otherwise be desirable, possibly reducing the value of the Fund's assets and/or disrupting the Fund's investment strategies. Reduction in the Fund's size could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Suspension of Redemptions and Deferment of Redemption Proceeds. In certain circumstances, the Directors, in their sole and absolute discretion, may suspend the valuation of the assets of the Fund, and/or the right or obligation to honor redemption requests (including the right to receive redemption proceeds), and/or extend the period for payment on redemption. In addition, the Fund's Directors may suspend the right of redemption or postpone the date of payment for any period during which there is an extraordinary circumstance as determined in good faith by the Directors.

Compulsory Redemption and Transfer. The Directors have the right to require the compulsory transfer or compulsory redemption of some or all Participating Shares held by a Participating Shareholder (i) if in the sole and conclusive opinion of the Directors such ownership gives rise to a breach of any law or regulation in any jurisdiction applicable to the Fund; or (ii) if, in the opinion of the Directors, such ownership could result in adverse tax, legal or regulatory consequences to the Fund or its Participating Shareholders; or (iii) if such ownership, in the opinion of the Directors, may be harmful or injurious to the business of the Fund; or (iv) if such ownership in the opinion of the Directors, may cause the Fund to be required to comply with

any law, regulation, registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply, or (v) for any other reason at the discretion of the Directors. Until such required transfer or redemption is effected, the holder of such Participating Shares shall not be entitled to any rights or privileges attaching to such Participating Shares.

Contingency Reserves. Under certain circumstances, the Fund may find it necessary to set up one or more reserves for contingent or future liabilities or valuation difficulties and, upon redemption by a Participating Shareholder, withhold a portion of that Participating Shareholder's redemption proceeds. This could happen, for example, if the Fund or the issuer of portfolio securities were involved in a dispute regarding the value of its assets, in litigation, or subject to a tax audit at the time the redemption request would otherwise be satisfied.

Tax Considerations; Distributions to Shareholders and Payment of Tax Liability. It is not possible to provide here a description of all potential tax risks to a person considering investing in the Fund. Prospective investors are urged to consult their own legal counsel and tax advisors with respect thereto.

Restrictions on Transfer. The Participating Shares are subject to certain restrictions on transfer, including a requirement that the Directors consent to any such transfer. There is no present market for the Participating Shares, and no market is likely to develop in the future. Accordingly, Participating Shareholders may not be able to liquidate their investment in the event of an emergency or for any other reason, and Participating Shares may not be readily acceptable as collateral for loans. Participating Shares should be purchased only by prospective Investors who can bear the economic risk of their investment, who can afford to have their funds committed to an illiquid investment according to the redemption provisions in the Articles and who, if necessary, can afford a complete loss of their investment.

Lack of Insurance. The assets of the Fund are not insured by any government or private insurer. Therefore, in the event of the insolvency of a depository or custodian, the Fund may be unable to recover all of its funds or the value of its securities so deposited.

Undisclosed Investing Strategy. The specific details of the Investment Manager's investment strategy and the techniques it will employ to attempt to reach the Fund's goal are proprietary and will not be disclosed to potential investors (or to Participating Shareholders). As a result, a potential investor's decision to invest in the Fund must be made without the benefit of being able to review and analyze the Investment Manager's strategy and techniques.

Side Letters. The Directors may enter into agreements with certain Participating Shareholders that will result in different terms of an investment in the Fund than the terms applicable to other Participating Shareholders. As a result of such agreements, certain Participating Shareholders may receive additional benefits which other Participating Shareholders will not receive (e.g., additional information regarding the Fund's portfolio, different redemption terms, lower Management Fees and /or Performance Fees). The Directors will not be required to notify the other Participating Shareholders of any such agreement or any of the rights and/or terms or provisions thereof, nor will the Directors be required to offer such additional and/or different terms or rights to any other Participating Shareholder. The Directors may enter into any such agreement with any Participating Shareholder at any time in its sole discretion.

Importance of General Economic Conditions. Overall market, industry or economic conditions, which the Investment Manager cannot predict or control, will have a material effect on performance.

Risks Relating to Markets. The value of those securities in which the Fund invests and that are traded on exchanges or over-the-counter and the risks associated therewith vary in response to events that affect such markets and that are beyond the control of the Fund and the Investment Manager. Market disruptions such as those that occurred during October of 1987 and on September 11, 2001 could have a material effect on general economic conditions and market liquidity which could result in substantial losses to the Fund.

There is no guarantee that securities exchanges and markets can at all times provide continuously liquid markets in which the Fund can close out its positions in those securities that the Fund purchases or sells

that are publicly traded. The Fund could experience delays and may be unable to sell or buy securities purchased or sold short through a broker or clearing member that has become insolvent due to the deterioration of industry conditions in general. In that event, positions could also be closed out fully or partially without the Fund's consent.

Exchange of tax information. The Common Reporting Standard ("CRS") developed by the Organisation for Economic Co-operation and Development (the "OECD") that has been implemented into law in the BVI represents a significant step towards the global automatic exchange of information ("AEOI") for tax purposes. Among other things, the application of CRS in the BVI requires investment funds to collect tax identification and tax residency information from all new subscribers and transferees (including debt-holders and equity-holders) who become investors on or after 1 January 2016. Accordingly, each Participating Shareholder should be aware that in accordance with the CRS, relevant information concerning it and/or its investment in the Fund may be provided to any relevant tax authority.

FATCA. The Fund may take such action as it considers necessary in relation to an investor's holding or redemption proceeds, as a result of relevant legislation and regulations, including but not limited to, FATCA, as further detailed in the section of this Private Placement Memorandum entitled "Taxation". Such actions may include, but are not limited to the following:

The disclosure by the Fund, the Administrator or such other service provider or delegate of the Fund, of certain information relating to an investor to the BVI's International Tax Authority ("ITA") or equivalent authority and any other foreign government body as required by FATCA. Such information may include, without limitation, confidential information such as financial information concerning an investor's investment in the Fund, and any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such investor.

The Fund may compulsorily redeem any Participating Shares held by an investor in accordance with the terms of this Private Placement Memorandum and may deduct relevant amounts from a recalcitrant investor so that any withholding tax payable by the Fund or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Fund) are recovered from such investor(s) whose action or inaction (directly or indirectly) gave rise or contributed to such taxes, costs or liabilities. Failure by an investor to assist the Fund in meeting its obligations pursuant to FATCA may therefore result in pecuniary loss to such investor.

FATCA / US HIRE Act and Compliance with US Withholding Requirements. The U.S. Hiring Incentives to Restore Employment Act (the 'US HIRE Act') has introduced a thirty percent (30%) withholding tax on certain payments to the Fund, of U.S. source income made after 31 December 2014, and on certain payments of proceeds from the sale of US property made after 31 December 2016 unless the Fund discloses the name, address and taxpayer identification number of U.S. Persons that own, directly or indirectly, or have effective control of, an interest in the Fund, as applicable, as well as possible certain other information relating to any such interest. Although the Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of these provisions, the return of all Shareholders may be materially affected. Other countries may impose similar taxes and the Fund intends to comply with such as they are enacted. All Shareholders consent to the Fund's full compliance with all such measures.

THE PARTICIPATING SHARES ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. THEY ARE SUITABLE ONLY FOR PERSONS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

CONFLICTS OF INTEREST

The Fund is subject to significant actual and potential conflicts of interest. The fiduciary duty of the Directors may compete with or be different from the interests of the Investment Manager. The Directors and the service providers, including the Investment Manager, may have conflicts of interest of the duties to the Fund, including with regard to decisions of the Board relating to transactions and agreements with, including remuneration paid to, such service providers. However, each shall, at all times, pay regard to its obligation to act in the best interest of the Fund and the Directors will ensure that all such potential conflicts of interest are resolved fairly and in the interests of Shareholders.

Fees

The Investment Manager has a conflict of interest between its duty to maximize investment profits, and the possible desire of the Investment Manager to avoid taking risks, which might reduce the assets of the Fund and consequently reduce the Management Fees payable to it. Because Management Fees are based on the Fund's Net Asset Value, the Investment Manager may receive a Management Fee based upon unrealized appreciation as well as realized appreciation.

Valuation of Assets

The Investment Manager will assist the Administrator to determine the Fund's Net Asset Value. Consequently, it has a conflict of interest between its responsibility to make such determinations fairly, and its interest in maximizing the Fund's Net Asset Value and thus maximizing the Management Fee payable to it. As a result of the Investment Manager's decision to manage the Fund's trading and investments, and the decision of its principals to serve as a Director of the Fund, the terms on which the Investment Manager renders services to the Fund (including the Management Fee) were not negotiated at arm's length.

Other Accounts

The Investment Manager, and certain other employees, Affiliates, and their principals and employees may have in the past traded, currently trade, or may in the future trade investments for their respective personal (proprietary) account or other client accounts. Such persons and entities may trade personal (proprietary) or other client accounts using trading approaches which are the same as, similar to, different from, or more or less aggressive than, those employed on behalf of the Fund. Also, proprietary or other client trading may be conducted at brokerage commission or clearing rates which are lower than the rates which the Fund pays. Accordingly, proprietary or other client accounts may produce trading results which are substantially different from those experienced by the Fund. Participating Shareholders will not be permitted to inspect trading records pertaining to proprietary or other client accounts.

The Investment Manager and its principals and Affiliates may trade significant personal (proprietary) and client funds in the commodities, currency, and securities markets. To the extent the Fund's trade in similar markets and investments at or about the same time, such other accounts may compete with the Fund with respect to such investments.

Certain Investment Manager Activities

The Investment Manager may manage accounts and perform investment management for others, including other investment funds. To the maximum extent permissible, purchases and sales and investment advice are based upon the judgment of the Investment Manager. To minimize the risk of potential conflicts of interest, the Investment Manager will ensure all investments in which the Fund invests will be bought and/or sold on regular trading dates through the agents or market makers designated by the Fund.

Other Activities

Certain other clients of the Investment Manager may deal as principals with the Fund in the sale or purchase of investments of the Fund or act as brokers, whether to the Fund or to third parties, in the purchase or sale

of the Fund's investments and will be entitled to retain any profits or customary commissions resulting from such dealings. All such dealings, including the commissions paid, will be negotiated at arm's length.

The Investment Manager has a long term contract to manage the Fund subject to termination of the Investment Management Agreement due to a material default by either party and subject to the resignation of the Investment Manager.

TAX CONSIDERATIONS

This summary of the principal tax consequences applicable to the Fund and its Participating Shareholders is based upon the proposed activities of the Fund and the Investment Manager as described in this Private Placement Memorandum. The conclusions summarized herein could be adversely affected if the activities of the Fund and the Investment Manager are not conducted as described in this Private Placement Memorandum. Moreover, while this summary is considered to be a correct interpretation of existing laws in force on the date of this Private Placement Memorandum, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with the interpretations or that changes in such laws will not occur.

The Fund has no present plans to apply for any certifications or registrations, or to take any other actions under the laws of any jurisdictions which would afford relief to local Participating Shareholders therein from the normal tax regime otherwise applicable to an investment in Participating Shares of the Fund. It is the responsibility of all prospective investors to inform themselves as to any income or other tax consequences arising in the jurisdictions in which they are resident or domiciled for tax purposes, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of the Participating Shares.

British Virgin Islands Taxation

The Fund should not be subject to any taxation in the British Virgin Islands, other than annual license and registration fees (currently approximately \$1,500).

Hong Kong Tax Considerations

The information below relates only to Hong Kong taxation and is applicable to the Fund and investors in the Fund, including Hong Kong resident investors, if any, holding equity interest in the Fund as an investment. The discussion does not purport to describe all of the Hong Kong tax consequences applicable to the Fund. The actual tax consequences of the purchase, ownership and disposition of Participating Shares in the Fund will vary depending upon the investor's particular circumstances. Prospective investors are urged to consult their own professional advisors on the possible tax consequences of their investments in the Fund.

This summary has been prepared based only on the Hong Kong tax law and practice in force as of the date of this Offering Document.

The Fund. The Inland Revenue Ordinance of Hong Kong ("IRO") imposes tax under three distinct and separate headings: property tax, salaries tax and profits tax. The Fund's exposure to Hong Kong tax, if any, under the IRO would generally be in connection with profits tax.

Profits tax is charged on profits from a trade, profession or business carried on in Hong Kong in respect of profits arising in or derived from Hong Kong ("Hong Kong Sourced Profits"). Hong Kong does not levy capital gains tax nor is there any general turnover, sales or value-added tax.

In general, the Fund's exposure to Hong Kong profits tax will only arise if it is considered as carrying on a trade or business in Hong Kong, either by itself or through an agent in Hong Kong. If the Fund is treated as carrying on a trade or business in Hong Kong, either by itself or through the activities of another person on its behalf in Hong Kong, the Fund, being a company, will be liable to Hong Kong profits tax at the current rate of 16.5% on its Hong Kong Sourced Profits, excluding capital gains.

For the purpose of the Fund, Hong Kong Sourced Profits would generally include:

- (i) profits arising from the disposal of securities (except those held as capital assets) listed on the Hong Kong Stock Exchange;
- (ii) profits arising from the disposal of non-publicly listed securities (except those held as capital assets) where the contracts of purchase and/or sales are effected in Hong Kong (the term “effected” in this context refers not only to the execution of contracts but also the negotiation and all steps leading to the final conclusion of contracts); or
- (iii) interest income arising from certain debt instruments where the loan proceeds were first made available to the issuer in Hong Kong, on the basis that the Company is not considered as engaging in a money-lending business.

Dividends and profit distributions received by the Fund from its investments (whether located within or outside Hong Kong) would generally not be chargeable to tax in Hong Kong (whether by way of withholding or otherwise) under the current law.

Under Section 20AN of the IRO, a fund will be exempt from profits tax under the profits tax exemption effective 1 April 2019 (“**Funds Exemption**”), where:

- (a) the Fund falls within the definition of a fund under Section 20AM of the IRO;
- (b) the Fund’s profits are derived from specified transactions or incidental transactions; and
- (c) the specified transactions have been carried out through or arranged by a specified person, which includes a corporation holding any licenses issued by the Securities and Futures Commission (“SFC”) under Part V of the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”), or the Fund is otherwise a qualified investment fund.

The Funds Exemption applies to both resident and non-resident funds (*i.e.*, funds registered in the Cayman Islands).

“**Specified transactions**” are broadly defined to include transactions in securities such as shares, debentures, loan stock, funds, bonds or notes of, or issued by, an incorporated or unincorporated body, a government, and a private company or a Special Purpose Entity (“SPE”) and the related rights, options or certificates of interest (in this context, a “private company” is defined to mean a company incorporated in or outside of Hong Kong that is not allowed to issue any invitation to the public to subscribe for any shares or debentures of the company) and are defined in the IRO to include transactions in futures contracts, foreign exchange contracts, deposits other than by way of a money-lending business, foreign currencies and exchange-traded commodities. However, investment in Hong Kong real property and investment in a portfolio company that holds (directly or indirectly) short-term assets, the value of which exceeds 50% of the value of that company’s total asset, do not qualify as “specified transactions”. A fund may also carry out transactions in Hong Kong which are not “specified transactions”, but are incidental to the carrying out of the “specified transactions”. A fund may also carry out transactions in Hong Kong which are not “specified transactions”, but are incidental to the carrying out of the “specified transactions”. Interest income earned from holding an investment (*e.g.*, debentures, bonds or notes) is considered an incidental transaction on the basis that holding of an investment is not a transaction in securities since such holding does not generate a gain from a purchase and sale transaction. If a fund derived onshore sourced income from incidental transactions and the amount exceeded 5% of the total receipts derived by the fund, such income would not be covered by the Funds Exemption. If a fund carries out transactions that do not fall within the definition of “specified transactions”, and derived profits from the transactions (excluding capital gains), such profits may be subject to tax if they are considered as Hong Kong Sourced Profits.

It is intended that the Fund (or an SPE, as applicable) will be conducted and managed in a manner such that it should qualify as exempt from Hong Kong profits tax under the Funds Exemption, or it would not be considered as carrying on a trade, profession or business in Hong Kong or derive any Hong Kong Sourced Profits or Hong Kong sourced income and therefore would not be subject to Hong Kong profits tax. However,

no assurance can be given that profits from certain investments derived by the Fund will not give rise to a Hong Kong profits tax liability. By way of example, the Fund could be subject to Hong Kong profits tax to the extent that it trades in non-qualifying investments and derives Hong Kong Sourced Profits from such investments.

Distributions made by the Fund to its investors will not be subject to any withholding tax in Hong Kong.

Investors. Hong Kong does not tax capital gains arising from the sale or other disposal of the Participating Shares in the Fund by its Participating Shareholders in general. However, in the case of certain Participating Shareholders (e.g., dealers in securities, financial institutions and insurance companies carrying on a trade or business in Hong Kong), such gains may be considered to be trading gains rather than capital gains and hence, subject to Hong Kong profits tax (which is currently imposed at the rate of 16.5% on corporations, and at a rate of 15% on individuals), if the gains are considered Hong Kong Sourced Profits. The nature of an asset as trading or capital and the source of profits will depend on the particular circumstances of each Participating Shareholder. Investors in the Fund should seek their own independent Hong Kong tax advice on this issue.

Hong Kong does not impose withholding tax on dividends and interest. Distributions received by Participating Shareholders from the Fund would generally not be subject to tax in Hong Kong (whether by way of withholding or otherwise). However, under the Funds Exemption, a Hong Kong resident investor, who, inter alia (i) alone or jointly with associates, holds a 30% or more beneficial interest in a fund which is tax exempt under the IRO; or (ii) holds any percentage of the beneficial interest in such exempt fund that is an associate of the Hong Kong resident investor, will be deemed to be subject to tax on their share of the fund's profits from "specified transactions" that are otherwise taxable under the general assessing provisions. The deeming provision would not apply where the exempt fund is "bona fide widely held."

Stamp Duty. If the Fund acquires or disposes of any Hong Kong stock as defined under the Stamp Duty Ordinance, Hong Kong stamp duty will generally be imposed at the current rate of 0.2% on the consideration or the fair market value of the stock, whichever is the higher. The purchaser and the seller will each be liable for one-half of the amount of the Hong Kong stamp duty upon such transfer.

Hong Kong stamp duty will not be imposed on the issuance of the Participating Shares by the Fund. As such, no Hong Kong stamp duty is payable by the Participating Shareholders in relation to the subscription of the Participating Shares in the Fund. The transfer of the Participating Shares in the Fund should also not be subject to Hong Kong stamp duty, provided that the register of shareholders of the Fund is maintained outside Hong Kong.

Tax Considerations with Respect to Other Taxing Jurisdictions

This Offering Memorandum does not attempt to summarize the tax considerations of each jurisdiction that may impose taxes that are applicable or are in relation to investments made by the Fund. Foreign taxing jurisdictions may impose withholding or other taxes in respect of dividends, interest, gains from the disposition of investments and other income generated by making, holding and/or disposing of investments. Prospective investors should consult with their own tax advisors regarding the potential tax consequences arising from other foreign investments.

Requests for Additional Information

Each Participating Shareholder will be required to comply promptly with reasonable requests for information made by the Fund in order for the Fund to satisfy any request for information about such Participating Shareholders, its subscription into the Fund and other information regarding its holding of Participating Shares in connection with the operation of the Fund, including requests made by any U.S. federal, state, local or non-U.S. regulatory authority, agency, committee, court, exchange or self-regulatory organization (e.g., obtaining approvals necessary for the making, holding or disposition of any portfolio investment).

Restrictions on Transfer

The Participating Shares will not be assignable or transferable without the prior written consent of the Board who may impose conditions to granting such consent (e.g. requiring an opinion of the Fund's counsel that such a transfer would not subject the Fund to any regulatory or tax requirements or result in the violation of any applicable law or governmental regulation). The transferor and transferee may be required to bear the cost of such legal opinion.

Additional Information

During the course of the offering and before the sale of any Participating Shares, the Fund will provide to each prospective investor and such investor's representatives and advisers, if any, the opportunity to ask questions and receive answers concerning the terms and conditions of this offering and to obtain any additional information that the Fund may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such prospective investor. Any such questions should be directed to the Board. No other person other than the individuals constituting the Board have been authorized to give information or to make any representations concerning the Fund or this offering outside of this Offering Memorandum, and if given or made, such other information or representations must not be relied upon as having been authorized by the Fund.

BVI – Beneficial Ownership Regime

The BVI Beneficial Ownership Secure Search System Act, 2017 (“**BOSS System Act**”) has established a secure search system to facilitate the effective and efficient storage and retrieval of beneficial owner information for all corporate and legal entities using the system and to provide for all matters incidental thereto, unless they fall within an available exemption under section 7 of the BOSS System Act.

Unless exempted, BVI companies are required, under the BOSS System Act, to take reasonable steps to identify individual “beneficial owners” or “relevant legal entities”. The identified beneficial owners and relevant legal entities have the obligation to respond to any notification received from the BVI Registry of Corporate Affairs to provide and/or confirm certain information and particulars to the BVI Registry of Corporate Affairs.

The Fund is regulated as a mutual fund under the Mutual Funds Law and, accordingly, does not fall within the scope of the obligations under the Beneficial Ownership Regime. The Fund is therefore not required to maintain a Register but is required to notify its service provider in the BVI of its exempted status determination and prepare and file a relevant written confirmation with the service provider.

The Fund will review its status under BOSS System Act on an annual basis and in the circumstance of any change in the Beneficial Ownership Regime which imposes or removes compliance obligations impacts and comply with the regulations accordingly.

THE ABOVE IS ONLY A BRIEF AND GENERAL SUMMARY OF CERTAIN TAX CONSIDERATIONS WITH RESPECT TO AN INVESTMENT IN THE FUND. INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO GAIN A FULL UNDERSTANDING OF ANY TAX CONSIDERATIONS WHICH WOULD APPLY AS A RESULT OF THEIR INDIVIDUAL SITUATIONS

ANTI-MONEY LAUNDERING REGULATIONS

As part of the Fund's responsibility for the prevention of money laundering, the Fund (including its affiliates, subsidiaries or associates) will require a detailed verification of the investor's identity and the source of payment. Depending on the circumstances of each application, a detailed verification might not be required where, having applied a "Risk-Based" analysis, as is required under the Anti-Money Laundering Regulations (As Revised), the Fund acting through its Administrator determines that simplified customer due diligence measures should be applied to the investor applicant owing to lower risk factor applicable to the investor applicant.

The Fund and/or the Administrator reserves the right to request such information as is necessary to verify the identity of an investor applicant. In the event of delay or failure by the investor applicant to produce any information required for verification purposes, the Fund will refuse to accept the investor application and the subscription monies relating thereto.

If any person who is resident in the BVI has a suspicion that a payment to the Fund (by way of subscription or otherwise) contains the proceeds of criminal conduct that person is required to report such suspicion pursuant to the Proceeds of Crime Conduct Act (Revised 2020) as amended. By subscribing, investor applicants consent to the disclosure by the Fund, the Investment Manager, and the Administrator of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the BVI and in other jurisdictions.

The Fund may impose additional requirements from time to time to comply with all applicable anti-money laundering laws and regulations.

The Fund is required to conduct suitable customer due diligence, including the requirement to 'Know Your Client' (and to verify the identity thereof), which extends, for any 'non-individual' investor, to the ultimate beneficial owner(s) of the monies invested. This requirement is principally (though not exclusively) satisfied through documentary evidence, as listed in the Subscription Application. It should be noted that the Administrator may also request information, in order to satisfy its regulatory obligations. The Administrator is also obliged to obtain information on the purpose and intended nature of the business relationship, in order to be in a position to establish the business and risk profile of the investor. The Administrator may carry out ongoing monitoring in the case of an existing business relationship, which includes the scrutiny of transactions undertaken throughout the course of the relationship in order to ensure that the transactions being undertaken are consistent with the Administrator's knowledge of the investor and of his business and risk profile, including, where necessary, the source of funds as well as ensuring that the documents, data or information held by the Administrator are kept up-to-date.

The completion of the application form serves as confirmation that the investor understands and agrees to furnish the requested documents and other information.

It must also be noted that redemption monies cannot be remitted to the Participating Shareholder until all documents requested have been received. Further, please note that it is a regulatory requirement to report suspicious transactions to the competent authorities, and any relevant data in this regard may need to be transferred to the relevant regulators.

There is also a requirement to know the source of the funds, such requirement normally limited to knowing the bank and account from which the monies were remitted. A further requirement is that such monies invested may only be redeemed to the account of remittance, except in exceptional circumstances.

Anti-money laundering legislation currently applicable to the Fund and the Administrator requires that, as part of compliance thereto, certain documents must be monitored to ensure that they are timely and up-to-date. The investor will be required to acknowledge that, in order to comply with this requirement, the Administrator and/or the Investment Manager will require that certain documents are delivered by the investor to the Administrator and/or the Investment Manager on a periodic basis. The Administrator and/or

the Investment Manager may contact the investor to request such documents, and, by signing the Subscription Application, the investor will be confirming that it will provide the documents so requested on a timely basis. The investor will be required to further acknowledge that failure to provide such documents could result in delays during the redemption process, as monies may not be remitted to the investor until all requested documents are received and approved by the Administrator and/or the Investment Advisor.

Further, if subsequent investments are made, the source of wealth may need to be re-established, and failure to provide adequate information to the Administrator and/or the Investment Manager could result in delays during the redemption process similar to those outlined in the preceding sentence.

Finally, as the aforementioned legislation is subject to change, any additional requirements imposed on the Administrator will be reflected in its requirements of the applicant.

The Anti-Money Laundering Regulations (Revised 2020) of the BVI requires each BVI domiciled investment fund to appoint a natural person to the role of Money Laundering Reporting Officer (“**MLRO**”) who (1) shall, be of sufficient seniority to perform the functions reposed on a Money Laundering Reporting Officer under the Code and AML Regulations, and (2) shall have access to all relevant information and material of the Fund to enable him or her to perform the functions reposed in him or her under the Code and the AML Regulations and possess the following qualifications:

- i. he or she must at the minimum hold a diploma with a post qualification experience of not less than 3 years;
- ii. he or she must be fit and proper;
- iii. he or she must have a broad knowledge of anti-money laundering and terrorist financing matters, including the relevant regional and international treaties (including United Nations Resolutions) relating to the combating of money laundering and terrorist financing;
- iv. he or she must have a good appreciation and understanding of the BVI laws relating to money laundering and terrorist financing; and
- v. he or she must possess the ability to make independent and analytical decisions and not be easily susceptible to undue influence.

The AML Regulations requires the MLRO to be responsible for ensuring compliance by staff of the Fund with:

- i. the provisions of the AML Regulations, Proceeds of Criminal Conduct Act, the Code and any other enactment relating to money laundering and terrorist financing in the BVI;
- ii. the provisions of any internal reporting and manual of compliance procedures relating to money laundering and terrorist financing; and
- iii. any additional reporting and related obligations provided in the Code.

The MLRO shall, in addition to the functions reposed in him or her by the AML Regulations and the Code, act as the liaison between the Fund and the Financial Investigation Agency in matters relating to compliance with the provisions of the AML Regulations, the Proceeds of Criminal Conduct Act, the Code and any other enactment relating to money laundering and terrorist financing.

The Fund has appointed an MLRO and further details of such officer can be obtained from the Fund, if required.

Other Jurisdictions

Many jurisdictions are in the process of changing or creating anti-money laundering, embargo and trade sanctions, or similar laws, regulations, requirements (whether or not with force of law) or regulatory policies, and many financial intermediaries are in the process of changing or creating responsive disclosure and compliance policies (collectively, the “**Requirements**”) and the Fund and the Investment Manager could be requested or required to obtain certain assurances from prospective investors subscribing for Participating

Shares to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. In order to comply with applicable Requirements, each investor must represent in its subscription documents, among other things, that (i) neither the investor, nor any person having a direct or indirect beneficial interest in the Participating Shares being acquired by the investor, appears on the Specifically Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control in the United States Department of the Treasury or in Annex I to U.S. Executive Order 132224 — Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, nor are they otherwise a party with which the Fund is prohibited to deal under the laws of the United States and (ii) the investor does not know or have any reason to suspect that (1) the monies used to fund the investor's investment in the Fund have been or will be derived from or related to any illegal activities, including but not limited to, money-laundering activities and (2) the proceeds from the investor's investment in the Fund will be used to finance any illegal activities. Each investor must also agree to provide any information to the Fund and its affiliates and agents as the Fund may require in order to determine the investor's and any of its beneficial owners' source and use of funds and to comply with any Requirements and similar laws, rules and regulations applicable to the Fund.

Subscriptions for Participating Shares will be received by the Administrator. The Administrator will notify applicants if additional proof of identity is required outside the scope of the list set out in the Subscription Application. By way of example, an individual will be required to produce a copy of a passport or identification card duly certified as a true copy by a notary public, law firm or bank, together with evidence of their address such as a utility bill or bank statement. In the case of corporate applicants this may require production of a copy of the certificate of incorporation (and any change of name), certificate of incorporation and by-laws (or equivalent) duly certified as a true copy by a notary public law firm or bank and the names, occupations, dates of birth and residential and business addresses of all directors or other governing members or representatives of entity investors in line with the foregoing individual identification requirements.

The details given above are by way of example only. The Fund and the Administrator or its respective subsidiaries, affiliates, directors, officers, shareholders, employees, agents, and permitted delegates reserve the right to request such documentation as any of them deems necessary to verify the identity of the applicant and to verify the source of the relevant money. Applicants who are existing customers and believe they have supplied documentation verifying their identity to the Fund or an affiliate in the past may contact the Administrator to determine whether any additional information is necessary. Failure to provide the necessary evidence may result in applications being rejected or will result in the payment of redemption proceeds or in the dispatch of documents and the issuance of Participating Shares.

Pending the provision of satisfactory evidence as to identity, the evidence of title in respect of Participating Shares may be retained at the absolute discretion of the Administrator. If within a reasonable period of time following a request for verification of identity, the Administrator has not received evidence satisfactory to it as aforesaid, they may, in their absolute discretion, refuse to allot the Participating Shares applied for in which event application monies will be returned without interest to the account from which such moneys were originally debited.

The Fund and the Administrator and its respective subsidiaries, affiliates, directors, officers, shareholders, employees, agents, and permitted delegates will be held harmless and will be fully indemnified by a potential subscriber against any loss arising as a result of a failure to process a subscription or redemption request if such information as has been requested by any of them has not been satisfactorily provided by the applicant.

SUBSCRIPTIONS FOR PARTICIPATING SHARES AND ADDITIONAL INFORMATION

Participating Share Offering

Subject to all terms set forth herein, the Fund is offering Participating Shares with a minimum initial investment amount of US\$100,000 (subject to the minimum initial investment amount requirements of the BVL Laws). The Board of Directors of the Fund in their sole discretion may modify the minimum initial investment amount subject to the applicable requirements of the BVI Laws.

The Participating Shares will be offered and sold at the discretion of the Directors on a continuing basis at such frequency as is determined by the Board. Upon written acceptance of an investor's subscription for Participating Shares, a subscriber will become a Participating Shareholder of the Fund. The Fund may at the discretion of the Directors, reject all or part of any subscription. There is no minimum dollar amount of aggregate investor subscriptions the Fund must accept to commence operations. There is no restriction on the maximum number of Participating Shares, in accordance with the Fund's share capital, that may be sold. The Fund may terminate or suspend the offering of Participating Shares, in whole or in part, at any time or from time to time, or in respect of any jurisdiction.

When sending a Subscription Application to the Administrator it must be acknowledged by the Participating Shareholder that no Subscription Application and/or any other communication or instructions sent by the Participating Shareholder to the Administrator will be deemed to have been received by the Administrator unless receipt is acknowledged in writing by the Administrator. Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt.

Eligible Investors

Prospective shareholders subscribing for Participating Shares in the Fund must be Eligible Investors. The Fund, in the sole discretion of its Board of Directors, may decline to accept the subscription for Participating Shares of any prospective investor.

Each subscriber or transferee for Participating Shares will be required to certify to the Fund, among other things: (i) the identity and nationality of the person or persons on whose behalf the Participating Shares are being acquired; (ii) that the Participating Shares are not being acquired and will not at any time be held for the account or benefit, directly or indirectly, of any person who is not an Eligible Investor; and (iii) the source of payment for the Participating Shares. Participating Shareholders will be required to notify the Fund immediately of any change in such information.

Prior to acceptance of any subscription for Participating Shares, each prospective Participating Shareholder or transferee must represent in writing, by completing and signing the subscription documents, certifications and forms (collectively, "**Subscription Application**"), that, among other things:

1. Subscriber has such knowledge and experience in financial and business matters that subscriber is capable of evaluating the merits and risks of the proposed investment, that subscriber understands the method of compensation of management fees and performance fees and the risks associated with an investment in the Fund, and that subscriber can bear the economic risk of the investment (i.e. at the time of the investment the prospective Participating Shareholder can afford a complete loss of the investment for an indefinite period of time);
2. Subscriber is acquiring Participating Shares for investment purposes and solely for its own account and not with a view to or present intention of reselling them, except for its right to redeem Participating Shares;
3. The Fund has, during the course of the offering and prior to the sale of the Participating Shares, afforded subscriber the opportunity to ask questions and receive answers concerning the terms and conditions of this Offering and to obtain any additional information, to the extent they possess such information or could acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information contained in this Private Placement Memorandum;

4. Subscriber possesses certain other qualifications and makes certain other warranties and representations, as more fully set forth in the Subscription Application;

5. Subscriber will indemnify and hold harmless the Fund, the Directors, the Investment Manager, the officers, employees and agents of any of them and any person controlling the Fund, the Directors or the Investment Manager from and against any loss, damage or liability, including reasonable attorney's fees, due to or arising out of any misrepresentations or breach of warranty made by subscriber in connection with the subscription for Participating Shares.

The Fund requires each prospective investor to represent that an investment by such investor in the Fund will not adversely affect his/her/its overall need for diversification and liquidity.

The suitability standards referred to above represent minimum suitability requirements for prospective Participating Shareholders and the satisfaction of such standards by a prospective Participating Shareholder does not necessarily mean that the Participating Shares are a suitable investment for such prospective Participating Shareholder or that the prospective Participating Shareholder's subscription will be accepted. The Board of Directors may, in circumstances it deems appropriate, modify such requirements. In addition, the Board of Directors will have the right to reject a subscription for any reason or no reason.

Each prospective investor is urged to consult with his/her/its own advisor to determine the suitability of an investment in the Participating Shares, and the relationship of such an investment to the purchaser's overall investment program and financial and tax position. Each purchaser of Participating Shares is required to represent further that, after all necessary advice and analysis, its investment in the Fund is suitable and appropriate, in light of the foregoing considerations.

All subscription proceeds should be sent in the form of a wire transfer pursuant to the instructions indicated in the Subscription Application to the bank account of the Fund to be held in trust pending acceptance of the subscription.

EXCULPATION; INDEMNIFICATION

Pursuant to the Articles, subject to the limitations hereinafter provided the Fund may indemnify against all expenses, including legal fees, and against all judgements, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person (an **"Indemnifiable Person"**) who:

- a. is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director, officer or affiliate of the Fund; or
- b. is or was, at the request of the Fund, serving as a Director or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.

The Fund may only indemnify an Indemnifiable Person if such person acted honestly and in good faith with a view to what that Director or officer believed were the best interests of the Fund and, in the case of criminal proceedings, the Indemnifiable Person had no reasonable cause to believe that his conduct was unlawful. The decision of the Directors as to whether the Indemnifiable Person acted honestly and in good faith and with a view to what that Director believed were the best interests of the Fund and as to whether such person had no reasonable cause to believe that his conduct was unlawful, is in the absence of fraud, sufficient for the purposes of the Articles, unless a question of law is involved. The termination of any proceedings by any judgement, order, settlement, conviction or the entering of a nolle prosequi does not, by itself, create a presumption that the Indemnifiable Person did not act honestly and in good faith and with a view to the best interests of the Fund or that such person had reasonable cause to believe that his conduct was unlawful. If a person to be indemnified has been successful in defence of any proceedings described above the person

is entitled to be indemnified against all expenses, including legal fees, and against all judgements, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.

DATA PROTECTION

As part of the application process all investors are required to submit various documents to the Administrator. These are required to enable completion of the application process and to comply with all relevant legislation. Any information received will be kept by the Administrator in accordance with the relevant data protection legislation and, in the normal course of business, will not be made available to anyone other than the Administrator.

However, it may become necessary to transfer data at any time to comply with legislation in force either now or at any time in the future (see under 'Anti Money Laundering Legislation' for further details). Further, should the administrative functions, in whole or in part, be transferred to another entity, data will be transferred or delegated to the extent necessary for such new entity to carry out its functions effectively. This may include entities in the U.S. and other countries which are deemed to have equivalent data protection legislation in place, and also to countries that are not deemed to have equivalent data protection legislation in place.

By subscribing to the Fund all investors should note the above, and also note that, by completion of the application form, they are agreeing to any transfer of data carried out for any of the reasons given above, or for any reason that the Administrator deems necessary to comply with legislation in force at the time.

Further, the Fund and its service providers consent that any and all data required by the Administrator (in its capacity as such or in its capacity as Registrar) in exercise of its duties on behalf of the Fund may be transferred to and/or from the Administrator (in its capacity as such or in its capacity as Registrar) in accordance with relevant data protection legislation.

GDPR Notice to European Union Investors

In compliance with the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("**GDPR**"), as such applicable laws and regulations may be amended from time to time (collectively hereinafter referred to as the "**DPL**"), the "**Fund**", acting as data controller (the "**Data Controller**") processes personal data in the context of the investments in the Fund. The term "processing" in this notice has the meaning ascribed to it in the Data Protection Laws.

The Fund has prepared a document outlining the Fund's data protection obligations and the data protection rights of investors (and individuals connected with investors) under the DPL (the "**Fund Privacy Notice**"). The Fund Privacy Notice is contained within the Subscription Application and is available to Shareholders in this Private Placement Memorandum.

Prospective investors should note that, by virtue of making investments in the Fund and the associated interactions with the Fund and its affiliates and/or delegates (including completing the Subscription Application, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Fund with personal information on individuals connected with the investor (for example, directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Fund and its affiliates and/or delegates (including, without limitation, the Fund's Administrator) with certain personal information which constitutes personal data within the meaning of the DPL. The Fund shall act as a data controller in respect of this personal data and its affiliates and/or delegates, such as the Fund's Administrator, and the Investment Manager may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Fund and/or continuing to invest in the Fund, investors shall be deemed to acknowledge that they have read in detail and understood the Fund Privacy Notice and that the Fund Privacy Notice

provides an outline of their data protection rights and obligations as they relate to the investment in the Fund. The Subscription Application contains relevant representations and warranties.