

The World's First Iron Ore ETF
SSIF DCE Iron Ore Futures Index ETF
Commences Trading on HKEx

Offers the World's Sole Iron Ore ETF to the Market

(Hong Kong – 27 March 2020) Shanxi Securities International Financial Holdings Limited (“SSIF” or the “Company”), a wholly-owned subsidiary of Shanxi Securities Co., Ltd. (“Shanxi Securities”) (002500.SZ), has announced that SSIF DCE Iron Ore Futures Index ETF (“SSIF Iron Ore ETF”), the world’s [first/only] iron ore exchange traded fund, has commenced trading on the Stock Exchange of Hong Kong Limited (“SEHK”) today, under the stock code of 3047.HK for trading in Hong Kong dollars.

SSIF Iron Ore ETF is linked to the world’s most active iron ore futures - the Dalian Commodity Exchange (DCE) Iron Ore Futures contract. The initial issue price is HKD [-] per unit (excluding taxes and fees), and the lot size for the secondary market is 100 units. Shanxi Securities International Asset Management Limited has acted as issuer of the ETF. SSIF, Goldman Sachs (Asia) Securities, Haitong International, [CSC International/Financial?], Phillip[s] Securities (HK), HGNH International and Xin Yongan International are participating dealers.

Mr. 謝尚禮, General Manager of SSIF, said, “SSIF Iron Ore ETF was jointly developed by Shanxi Securities, SSIF and Gelin Dahua Futures, backed by the strong support and professional guidance of the China Securities Regulatory Commission, Securities and Futures Commission of Hong Kong, SEHK and DCE. Through an innovative product design, SSIF Iron Ore ETF has lowered the entry threshold to the commodities market in Mainland China and provide a channel to invest in iron ore for overseas institutional and retail investors, without involving complications such as rollover and delivery of futures and QFII qualification restrictions. The SSIF Iron Ore ETF can serve as a quality tool for global investors to carry out asset allocation and combat inflation as it offers a wide range of investment products and professional services.”

About Shanxi Securities International Financial Holdings Limited

A wholly-owned subsidiary of Shanxi Securities Co., Ltd. (002500.SZ), Shanxi Securities International Financial Holdings Limited (SSIF) is domiciled in Hong Kong. The Company's scope of business covers brokerage (securities brokering, securities financing, futures brokerage, securities investment advisory and futures investment advisory), asset management, institutional financing, investment and international commodities trading. SSIF is committed to offering professional, quality, diversified and one-stop global investment and financing services to customers. These services include integrated financial services such as equity and bond financing, IPO sponsorship, IPO share issue and underwriting, M&A services, financial advisory, privately-offered fund set-up and management, global asset allocation, commodities trading and financing, securities and futures brokerage.

For further information, please visit https://www.ssif.com.hk/main_hk/homePage/index.shtml.

- The ETF seeks to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the DCE Iron Ore Futures Price Index ("Index") by investing in iron ore futures contracts traded on the Dalian Commodity Exchange ("DCE").
- It is the first ETF managed by the [manager] and is subject to new product risk.
- The ETF's exposure is concentrated in the iron ore market which is highly volatile and may be affected by factors such as production decisions, complex interaction of supply and demand of iron ore, economic / financial market conditions and speculator's activities.
- Investments in futures contracts are subject to contango risk, and risks associated with volatility, leverage, liquidity and margin.
- Futures contracts traded on DCE may also be subject to risks associated with Mainland China market, position limits of DCE and trading hour differences between DCE and Hong Kong stock exchanges.
- The ETF is subject to currency exchange risk. While the ETF is denominated in USD, its investments are denominated in other currencies e.g. RMB.
- The ETF is subject to tracking error risk and may trade at a substantial premium or discount to the ETF's net asset value.
- The ETF is a derivative fund. Investors may suffer substantial loss by investing in the ETF.
- Distributions may be made out of capital or effectively out of capital at the manager's discretion. Payment of distributions out of or effectively out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Any such distributions may result in an immediate reduction of the NAV per unit of the ETF.
- Investment involves risk. Please refer to the ETF offering documents for details including the risk factors.
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