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Samsung CSI China Dragon Internet ETF

Stock Code: 02812
(the “**Sub-Fund**”)

*(a sub-fund of Samsung ETFs Trust II (the “**Trust**”), a Hong Kong umbrella unit trust, authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

Announcement Addition of USD Counter

Unless otherwise stated, capitalised terms used in this Announcement shall have the same meaning ascribed to them in the prospectus of the Trust and the Sub-Fund dated 29 April 2020.

The Units of the Sub-Fund (the “**Units**”) are currently denominated in Hong Kong dollars (“**HKD**”) and traded in HKD. Samsung Asset Management (Hong Kong) Limited, the Manager of the Trust and the Sub-Fund (the “**Manager**”), wishes to inform Unitholders of the Sub-Fund that the Manager has been granted approval by The Stock Exchange of Hong Kong Limited (the “**SEHK**”) for the Units to be available for trading on the SEHK and deposit, clearing and settlement in the Central Clearing and Settlement System (“**CCASS**”) under a multi-counter arrangement with the addition of a USD counter from 16 June 2020 (the “**Effective Date**”) onwards. As such, Units will, from the Effective Date, be traded on the SEHK in HKD and USD.

A. Multi-counter model

Investors should note that Units are denominated in the Base Currency of the Sub-Fund, which is HKD, and the creation of new Units and redemption of Units in the primary market are settled in the Base Currency. By virtue of the multi-counter arrangement, the Sub-Fund will offer two trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD; and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in different counters may be different as each counter is a distinct and separate market.

Units created and issued pursuant to a Creation Application must be deposited in CCASS as HKD traded Units (i.e. tradable in HKD only) initially. Units redeemed pursuant to a Redemption Application may be withdrawn from any trading counter (i.e. HKD or USD trading counter). Units of both counters may be redeemed by way of a Redemption Application through a Participating Dealer.

Notwithstanding a multi-counter being adopted, (a) Units traded on both counters are of the same class with the same rights attached thereto and all Unitholders of all these counters are treated equally; (b) all cash Creation Applications must be made in the Base Currency; and (c) any cash proceeds received by a Participating Dealer in a cash Redemption Application shall be paid only in the Base Currency. In-kind creations and redemptions are still available in the manner described in the Prospectus and will be unaffected by the multi-counter arrangement.

The board lot size and Application Unit size for each counter are the same, being 200 Units and 300,000 Units respectively.

Investors should note that each Unitholder will receive distributions in HKD only (whether they are holding HKD or USD traded Units).

B. Stock codes and stock short names

The English stock short name of the existing HKD counter will, from the Effective Date, be changed to SAMSUNGCDGN. The stock code, Chinese stock short name and ISIN number of the existing HKD counter will remain unchanged as 2812, 三星中國龍網 and HK0000422805 respectively.

The USD counter will, from the Effective Date, have a stock code, an English stock short name, a Chinese stock short name and an ISIN number as 9812, SAMSUNGCDGN-U, 三星中國龍網-U and HK0000604055 respectively.

C. Inter-counter transfer

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in one counter and sell in another counter provided their brokers provide HKD and USD trading services at the same time and offer inter-counter transfer services to support multi-counter trading. Inter-counter buy and sell is permissible even if the trades take place within the same trading day. However, investors should note that the trading price of Units traded in different counters may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the multi-counter arrangement, including inter-counter transfers.

D. Market making

As with all exchange traded funds listed on the SEHK, the Manager will use its best endeavours to put in place arrangements so that there is at all times at least one market maker for each available counter (although this may be the same Market Maker). The Manager will also use its best endeavours to put in place arrangements so that at least one market maker per counter gives not less than 3 months' notice prior to terminating market making under the relevant market making agreement.

For a list of the market makers for each counter, please refer to the website <http://www.samsungetf.com.hk/en/products/overview/02812/>.

E. Multi-counter related risks

The relative novelty of the multi-counter for exchange traded funds may make investment in the Units riskier than in single counter units or shares of an SEHK listed issuer, for example, where for some reason there is a settlement failure on an inter-counter transfer if the Units of one counter are delivered to CCASS at the last settlement on a trading day, leaving not enough time to transfer the Units to the other counter for settlement on the same day.

In addition, where there is a suspension of the inter-counter transfers of Units between the HKD counter and the USD counter due to, for example, operational or systems interruption, Unitholders will only be able to trade their Units in the currency of the relevant counter. Accordingly it should be noted that the inter-counter transfers may not always be available.

There is a risk that the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in USD due to market liquidity, supply and demand in each counter and the exchange rate between the HKD and the USD. The trading price of HKD traded Units or USD traded Units is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Units traded in HKD or buying Units traded in HKD, an investor may receive less or pay more than the equivalent amount in USD if the trade of the relevant Units is in USD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Investors without USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units. As such investors may suffer a foreign exchange loss and incur foreign exchange associated fees and charges to receive their dividend.

It is possible that some brokers and CCASS participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, (ii) carry out inter-counter transfers of Units, or (iii) trade Units in both counters at the same time. In such a case another broker or CCASS participant may need to be used. Accordingly this may inhibit or delay an investor dealing in both HKD traded and USD traded Units and may mean investors may only be able to sell their Units in one currency. Investors are recommended to check the readiness of their brokers in respect of the multi-counter trading and inter-counter transfer.

Investors should also refer to the Prospectus of the Trust for further risks associated with the multi-counter arrangement.

F. Other currency distributions risk

Investors should note that all Units will receive distributions in the Base Currency (HKD) only. As such, the Unitholder may have to bear the fees and charges associated with the conversion of such distribution from HKD to USD or any other currency. The Unitholder may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.

G. SEHK approval

The SEHK has granted its approval for admission for trading of the Units to the USD counter with effect from the Effective Date.

H. Stamp duty

No stamp duty is payable on the transfer (purchase or sale) of units of all exchange traded funds on the SEHK. No stamp duty is therefore payable on the transfer of Units (HKD or USD traded Units).

I. Information on website

From the Effective Date, the Manager's website www.samsungetf.com.hk (this website has not been reviewed by the SFC) will be updated. In particular the near real-time indicative Net Asset Value per Unit throughout each Dealing Day and the last Net Asset Value per Unit will also be provided in USD (in addition to HKD).

Please note that the near real time indicative Net Asset Value per Unit in USD is for reference only. This is updated every 15 seconds during SEHK trading hours and is calculated by ICE Data Services.

The near real time indicative Net Asset Value per Unit in USD does not use a real time HKD: USD foreign exchange rate – it is calculated using the indicative Net Asset Value per Unit in HKD multiplied by an assumed foreign exchange rate using the exchange rate for USD quoted by WM Reuters at 4:00pm London time as of the same Dealing Day.

The last Net Asset Value per Unit in USD is indicative and for reference purposes only. It is calculated using the last Net Asset Value per Unit in HKD multiplied by an assumed foreign exchange rate using the exchange rate for USD quoted by WM Reuters at 4:00pm London time as of the same Dealing Day. When the underlying shares market is closed, the official last Net Asset Value per Unit in HKD and the indicative last Net Asset Value per Unit in USD will not be updated.

The Trustee of the Trust, Cititrust Limited, has no objection to the above changes.

The costs incurred in connection with the changes (including the costs of preparing the updated Prospectus and Product Key Facts Statement ("KFS") as well as the legal fees in relation to the foregoing) will be approximately HKD130,000 and will be borne by the Sub-Fund.

J. Other updates

Other changes will also be made to the Prospectus and KFS, including other minor and miscellaneous updates.

K. General

The Prospectus and the KFS will be updated to reflect the changes described above. The revised Prospectus and KFS will be published on the Manager's website at www.samsungetf.com.hk (this website has not been reviewed by the SFC) and HKEx's website at www.hkex.com.hk.

Investors who have any enquiries regarding the above may contact the Manager at 4513-14, Two International Finance Centre, 8 Finance Street, Central, Hong Kong or on +852 2115 8710 during office hours.

Samsung Asset Management (Hong Kong) Limited

三星資產運用（香港）有限公司

as Manager of the Trust and the Sub-Fund

9 June 2020