

The Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited, Hong Kong Exchanges and Clearing Limited and the Securities and Futures Commission (the “SFC”), take no responsibility for the contents of this Announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Announcement. SFC authorisation is not a recommendation or an endorsement of the Trust (as defined below) and the Sub-Funds (as defined below) nor does it guarantee the commercial merits of the Trust and the Sub-Funds or their performance. It does not mean the Trust and the Sub-Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

Further to the Announcement and Notice dated 31 March 2021 and titled “*Announcement and Notice of the Proposed Cessation of Trading, Termination, Voluntary Deauthorisation and Delisting and Non-Applicability of Certain Provisions of the Code on Unit Trusts and Mutual Funds*” (the “**First Announcement**”), the Cash Proceeds Distribution Announcement dated 7 June 2021 and titled “*Cash Proceeds Distribution Announcement for Vanguard FTSE Asia ex Japan Index ETF, Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF and Vanguard Total China Index ETF*” (the “**Cash Proceeds Distribution Announcement**”) and the Announcement and Notice dated 14 July 2021 and titled “*Extension of Further Cash Proceeds Distribution for Vanguard FTSE Asia ex Japan Index ETF, Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF and Vanguard Total China Index ETF*” (the “**Extension Announcement**”), this Announcement is to inform Relevant Investors of the Further Cash Proceeds Distribution and Further Cash Proceeds Distribution per Unit of each Sub-Fund (as defined below) as follows:

Sub-Fund	Further Cash Proceeds Distribution	Further Cash Proceeds Distribution per Unit
Vanguard FTSE Asia ex Japan Index ETF	HKD 2,609,880.00	HKD 0.3107
Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF	HKD 3,345,920.00	HKD 0.2614
Vanguard Total China Index ETF	RMB 2,736,610.00	RMB 0.0967

The Further Cash Proceeds Distribution for each Sub-Fund will be credited to the CCASS accounts of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors held the Units on 14 May 2021 (i.e. the Final Record Date). It is expected that the Relevant Investors will receive the Further Cash Proceeds Distribution on or around 15 September 2021, but the exact timing may vary between different stockbrokers and financial intermediaries. Each Relevant Investor should therefore contact their stockbrokers or financial intermediaries in relation to the payment of the Further Cash Proceeds Distribution from them.

Shortly before the Final Termination Date, the Manager will also issue an announcement informing investors about the Final Termination Date, Deauthorisation Date and the date for the delisting of the Sub-Funds from the SEHK, in accordance with the applicable regulatory requirements. If there is any change to the dates mentioned in the First Announcement, the Manager will also issue an announcement to inform the Relevant Investors of the revised dates.

IMPORTANT NOTES: Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement to their clients holding Units in the Sub-Funds, and inform them of the contents of this Announcement as soon as possible. Relevant Investors should contact their stockbrokers and financial intermediaries in relation to the payment of the relevant Further Cash Proceeds Distribution from them. Investors should exercise caution and consult with their professional and financial advisers before deciding on the course of actions to be taken in relation to their Units.

Vanguard ETF Series (the “Trust”)

(A Hong Kong umbrella unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong) (“SFO”)

Vanguard FTSE Asia ex Japan Index ETF

(Stock code: 2805 – HKD counter)

(Stock code: 82805 – RMB counter)

(Stock code: 9805 – USD counter)

Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF

(Stock code: 3085 – HKD counter)

(Stock code: 83085 – RMB counter)

(Stock code: 9085 – USD counter)

Vanguard Total China Index ETF

(Stock Code: 83169 - RMB Counter)

(Stock Code: 3169 - HKD Counter)

(Stock Code: 9169 - USD Counter)

(each a “Sub-Fund”, together the “Sub-Funds”)

FURTHER CASH PROCEEDS DISTRIBUTION ANNOUNCEMENT FOR VANGUARD FTSE ASIA EX JAPAN INDEX ETF, VANGUARD FTSE ASIA EX JAPAN HIGH DIVIDEND YIELD INDEX ETF AND VANGUARD TOTAL CHINA INDEX ETF

Reference is made to the First Announcement, the Cash Proceeds Distribution Announcement and the Extension Announcement issued by Vanguard Investments Hong Kong Limited (the “**Manager**”), the manager of the Trust and the Sub-Funds.

Capitalised terms not defined in this Announcement shall have the same meanings as defined in the First Announcement.

The purpose of this Announcement is to inform the Relevant Investors of the Further Cash Proceeds Distribution with respect to the three Sub-Funds (as defined above). Relevant Investors, as defined in the First Announcement, mean those investors who remain invested in the Sub-Funds as at 14 May 2021, being the Final Record Date.

1. Further Cash Proceeds Distribution Amount

As disclosed in the First Announcement and Cash Proceeds Distribution Announcement, the Manager will, after having consulted with the Trustee and the Sub-Fund’s auditor, declare a Further Cash Proceeds Distribution in the base currency of the relevant Sub-Fund, for the Sub-Funds in respect of the Relevant Investors (i.e. those investors who remain so as at the Final Record Date).

As disclosed in the Cash Proceeds Distribution Announcement, the Sub-Fund still held Suspended Stocks and other illiquid securities that are either delisted or subject to mandatory transfer restrictions (“**Illiquid Securities**”) after the Cash Proceeds Distribution Date (i.e. on or around 9 June 2021). As such, a Further Cash Proceeds Distribution would be made to the Relevant Investors.

As further disclosed in the Extension Announcement, the Manager extended the period for Further Cash Proceeds Distribution to a date being on or about 15 September 2021, as the Sub-Funds were still holding (i) Suspended Stocks and/or (ii) other Illiquid Securities (together, the “**Unrealised Securities**”) on 14 July 2021.

To allow the Relevant Investors to receive Further Cash Proceeds Distribution referable to the Unrealised Securities without undue delay, the Manager (in its corporate capacity) entered into a share sale and purchase agreement with the Trustee (acting solely in its capacity as trustee on behalf of the Sub-Funds) (the “**Securities Purchase Agreement**”), pursuant to which the Manager (in its corporate capacity) purchased the Unrealised Securities held by each Sub-Fund by paying an amount equal to the fair value of the relevant Unrealised Securities for each of the Sub-Funds holding such Unrealised Securities (“**VIHK Payment**”). The Manager (in its corporate capacity) paid the VIHK Payment to the Trustee (acting solely in its capacity as trustee on behalf of the Sub-Funds) on 13 September 2021, so that the VIHK Payment formed part of the Further Cash Proceeds Distribution. The Manager and the Trustee confirm that after payment of the Further Cash Proceeds Distribution, none of the Sub-Funds will have any actual or contingent assets or liabilities and, as there will be no more unpaid amounts in any Sub-Fund, no Relevant Investor will have an entitlement to further distributions under clause 30.1 of the Trust Deed. Investors should also note that upon execution of each Securities Purchase Agreement and payment of the VIHK Payment, investors will cease to have any residual interest in, or legal or equitable claim to, the Unrealised Securities (which will have been transferred to the Manager (in its corporate capacity) under each Securities Purchase Agreement in exchange for the VIHK Payment). To avoid any conflict of interest associated with the purchase of the Unrealised Securities under the Securities Purchase Agreement, the Manager (in its corporate capacity) has voluntarily abandoned the Unrealised Securities purchased under the Securities Purchase Agreement and will not seek to recover the VIHK Payment (i.e. the Manager, in its corporate capacity, incurred a loss equivalent to the VIHK Payment).

As disclosed in the First Announcement, the fair value of Unrealised Securities is determined in accordance with the Manager’s fair valuation policy. Under this policy, circumstances which can give rise to fair value pricing include, but are not limited to, suspension of trading of a listed stock for more than 5 business days. Fair value pricing under this policy are performed with due care, skill and diligence and in good faith, in consultation with the Trustee. Relevant factors in considering whether to (and how to) apply fair value pricing to Unrealised Securities include and are not limited to: the type of Unrealised Securities involved; the amount and duration of the suspension of Suspended Stocks owned by the relevant Sub-Fund(s); the potential impact on the Net Asset Value of the relevant Sub-Fund(s); the method to be used to perform the fair valuation; and the reliability of the fair value price to be used.

As further disclosed in the First Announcement, a Sub-Fund may be entitled to receive declared dividends or tax reclaims after the Cash Proceeds Distribution Date. To allow the Relevant Investors to receive the cash value of any such Outstanding Receivables without undue delay, the Manager (in its corporate capacity) entered into the Receivables Purchase Agreement with the Trustee on 13 September 2021, pursuant to which the Manager (in its corporate capacity) purchased the Outstanding Receivables from (i) Vanguard FTSE Asia ex Japan Index ETF; and (ii) Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF (“**AxJ Sub-Funds**”). The amount paid by the Manager (in its corporate capacity) for the Outstanding Receivables formed part of the Further Cash Proceeds Distribution for the AxJ Sub-Funds.

On the above basis the Manager, after having consulted the Trustee and the Sub-Fund’s auditor, has resolved that a Further Cash Proceeds Distribution of the following amounts shall be paid in cash by each Sub-Fund to the Relevant Investors of each Sub-Fund:

Sub-Fund	Further Cash Proceeds Distribution	Further Cash Proceeds Distribution per Unit
Vanguard FTSE Asia ex Japan Index ETF	HKD 2,609,880.00	HKD 0.3107
Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF	HKD 3,345,920.00	HKD 0.2614

Vanguard Total China Index ETF	RMB 2,736,610.00	RMB 0.0967
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The Further Cash Proceeds Distribution per Unit for each of the Sub-Funds was determined on the basis of the Net Asset Value per Unit of the respective Sub-Fund as at 9 September 2021 and rounded to 4 decimal places. Each Relevant Investor will be entitled to a Further Cash Proceeds Distribution of an amount equal to the respective Sub-Fund's then Net Asset Value in proportion to the Relevant Investor's interest in the relevant Sub-Fund as at the Final Record Date.

The Manager has obtained legal advice and considers that the arrangements set out above, which will allow the Manager and the Trustee to: (i) realise the value of the Unrealised Securities and the Outstanding Receivables as the last remaining assets in the Sub-Funds; (ii) make the Further Cash Proceeds Distribution to the Relevant Investors without further delay; and (iii) thereby finalise the orderly termination of the Sub-Funds pursuant to clause 31 of the Trust Deed, to be in the best interests of the Sub-Funds and the Unitholders as a whole. The Trustee does not have any objection to such arrangement.

2. Further Cash Proceeds Distribution Payment

The Further Cash Proceeds Distribution for each Sub-Fund will be credited to the CCASS accounts of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors hold the Units on 14 May 2021 (i.e. the Final Record Date) in each of the Sub-Fund's base currency. It is expected that the Relevant Investors will receive the Further Cash Proceeds Distribution on or around 15 September 2021, but the exact timing may vary between different stockbrokers and financial intermediaries. Each Relevant Investor should contact their stockbrokers or financial intermediaries in relation to the payment arrangements, including payment procedures and settlement date, of the relevant Further Cash Proceeds Distribution from them.

No Hong Kong profits tax shall generally be payable by investors in Hong Kong in respect of the Further Cash Proceeds Distribution to the extent of distribution of profits and/or capital of the Sub-Funds. For investors carrying on a trade, profession or business in Hong Kong, profits derived from redemption or disposal of Units in each of the Sub-Funds may be subject to Hong Kong profits tax if the profits in question arise in or are derived from such trade, profession or business sourced in Hong Kong, and the Units of the Sub-Funds are revenue assets of the investors.

Investors should consult their professional tax advisers for tax advice.

IMPORTANT NOTES: Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement to their clients holding Units in the relevant Sub-Funds, and inform them of the contents of this Announcement as soon as possible. Relevant Investors should contact their stockbrokers and financial intermediaries in relation to the payment arrangements, including payment procedures and settlement date, of the Further Cash Proceeds Distribution from them.

Investors are strongly advised to read and consider the First Announcement, Cash Proceeds Distribution Announcement and Extension Announcement together with the Prospectus, for further details in relation to the Trust and the Sub-Funds, the termination, deauthorisation and delisting and the applicable risk factors and their implications to investors.

3. Net Asset Value of the Sub-Funds

Each of the Manager and the Trustee confirms that, the Net Asset Value and Net Asset Value per Unit of each Sub-Fund as at 9 September 2021 were as follows:

Sub-Fund	Net Asset Value	Net Asset Value per Unit
Vanguard FTSE Asia ex Japan Index ETF	HKD 2,609,880.00	HKD 0.3107

Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF	HKD 3,345,920.00	HKD 0.2614
Vanguard Total China Index ETF	RMB 2,736,610.00	RMB 0.0967

A simple breakdown of the Net Asset Value of each Sub-Fund is as follows:

Vanguard FTSE Asia ex Japan Index ETF

As at 9 September 2021

Assets

Cash and cash equivalents	HKD 2,437,047.16
Equities*	HKD 172,832.84
<i>*includes Illiquid Securities</i>	

Total assets HKD 2,609,880.00

Liabilities

Payables HKD 0

Total liabilities HKD 0

Net Asset Value HKD 2,609,880.00

Number of Units in issue 8,400,000.00

Net Asset Value per Unit HKD 0.3107

Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF

As at 9 September 2021

Assets

Cash and cash equivalents	HKD 3,138,859.96
Equities*	HKD 207,060.04
<i>*includes Illiquid Securities</i>	

Total assets HKD 3,345,920.00

Liabilities

Payables HKD 0

Total liabilities HKD 0

Net Asset Value HKD 3,345,920.00

Number of Units in issue 12,800,000.00

Net Asset Value per Unit HKD 0.2614

Vanguard Total China Index ETF

As at 9 September 2021

Assets

Cash and cash equivalents	RMB 2,638,503.63
Equities*	RMB 98,106.37
<i>*includes Suspended Stocks</i>	
Total assets	RMB 2,736,610.00

Liabilities

Payables	RMB 0
Total liabilities	RMB 0

Net Asset Value	RMB 2,736,610.00
Number of Units in issue	28,300,000.00
Net Asset Value per Unit	RMB 0.0967

As mentioned in the First Announcement and Cash Proceeds Distribution Announcement, the Manager will bear all costs and expenses associated with the termination and deauthorisation of the Trust and the Sub-Funds as well as the delisting of each Sub-Fund from the SEHK (other than normal operating expenses such as transaction costs and any taxes relating to the liquidation of assets of the a Sub-Fund) from the date of the First Announcement up to and including the Final Termination Date. As such, no provision has been set aside for such costs and expenses.

Shortly before the Final Termination Date, the Manager will issue an announcement informing investors about the Final Termination Date, Deauthorisation Date and the date for the delisting of the Sub-Funds from the SEHK, in accordance with the applicable regulatory requirements. If there is any change to the dates mentioned in the First Announcement, the Manager will also issue an announcement to inform the Relevant Investors of the revised dates.

The Manager confirms that there will be no Unitholders in the Sub-Funds after the termination process is complete.

Investors should exercise caution and consult with their professional and financial advisers before dealing in the Units or otherwise deciding on the course of actions to be taken in relation to their Units.

Investors who are in doubt about the contents of this Announcement should contact their independent financial intermediaries or professional advisers to seek their professional advice, or direct their queries to the Manager by calling +852 3409 8333 during normal business hours (except Hong Kong statutory holidays), or visiting the Manager's website: www.vanguard.com.hk¹.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement misleading.

Vanguard Investments Hong Kong Limited
as Manager of the Trust and the Sub-Funds

13 September 2021

¹ The website has not been reviewed by the SFC.