

Press Release

Embrace Technology for a Brighter Future

ChinaAMC Proudly Introduces Hang Seng TECH Index ETF (Ticker: 3088.HK / 9088.HK) to the Market



Investment involves risks. Investors should refer to the Fund's prospectus for details, including the risk factors and disclaimer of Hang Seng TECH Index. Issuer: China Asset Management (Hong Kong) Limited. This material has not been reviewed by the SFC. *Please refer to the fund's offering documents for details of the fees.

ChinaAMC(HK) Launches
Hang Seng TECH ETF

0.60%*
Total Expense Ratio

HKD COUNTER USD COUNTER

3088 9088

Investment involves risks, including the loss of principle. Past performance is not indicative of future results. Before investing in the ChinaAMC Hang Seng TECH Index ETF (the "Fund"), investor should refer to the Fund's prospectus for details, including the risk factors. You should not make investment decision based on the information on this material alone. Please note:

- The Fund aims to provide investment result that, before fees and expenses, closely corresponds to the performance of the Hang Seng TECH Index (the "Index").
- The Fund is passively managed and the Manager will not have the discretion to adapt to market changes. Falls in the Index are expected to result in corresponding falls in the value of the Fund.
- The Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors.
- The Index is a new index. The Fund may be riskier than those tracking more established indices with longer operating history.
- The Fund is subject to concentration risks in companies with technology theme and in a single geographical region (i.e. Greater China). The Fund may be more volatile than a broadly-based fund.
- Companies in the technology sector are characterised by relatively higher volatility in price performance when compared to other sectors.
- The Fund may be exposed to risks associated with different technology sectors and themes. A downturn in the business for companies in these sectors or themes may have adverse effects on the Fund.
- The Fund is subject to tracking error risk, which may result from the investment strategy used, and fees and expenses.
- If there is a suspension of the inter-counter transfer of units and/or any limitation on the level of services by brokers and CCASS participants, Unitholders will only be able to trade their units in one counter, which may inhibit or delay an investor dealing. The market price of units traded in each counter may deviate significantly.
- Generally, retail investors can only buy or sell units of the Fund on the SEHK. The trading price of the units on the SEHK is driven by market factors such as the demand and supply of the units. Therefore, the units may trade at a substantial premium or discount to the Fund's NAV.

[Hong Kong, 31 August, 2020]: The long-awaited Hang Seng TECH Index has been launched in response to the rapid development of technology and new economy. In view of this, China Asset Management (Hong Kong) Limited ("ChinaAMC (HK)") will introduce ChinaAMC Hang Seng TECH Index ETF (**HKD Counter: 3088.HK / USD Counter: 9088.HK**) to the market. Aiming to track the performance of the Hang Seng TECH Index,

the ETF sets the listing price at HK\$10 with an initial investment of around HK\$2,000³. Its ongoing charges figure over a year is only 0.6%¹ (including 0.40% annual management fee), lower than that of similar products in the market. The product will be listed on 3 September 2020.

The solid fundamentals and enormous growth potential of technology companies, together with the emphasis on R&D and the building of economic moats have persuaded investors to favor new economy shares over old economy sector. The Hang Seng TECH Index is an index focusing on investing in new economy themes. The 30 constituent stocks include the 30 largest Hong Kong-listed companies relevant to technology themes upon screening.

According to Bloomberg data, since beginning of the year up to July 2020, the Hang Seng TECH Index has significantly outperformed the Hang Seng Index by 62%, surging nearly 51.8% as compared to the loss of 10.5% in the Hang Seng Index².

Ms Anita Mo, Deputy Chief Executive Officer of Hang Seng Indexes Company said, "Under the prevailing trend of technology development, new economy stocks have started to become the focus of the market. We launched our Hang Seng TECH Index with the aims to reflect the performance of sizeable companies in this sector, and to facilitate the development of various index-linked ETF and other related products. We are pleased to see the launch of the Hang Seng TECH Index ETF which will provide more investment channels in technology theme to investors. "

Dr. Frank Xiaoling Zhang, Chief Executive Officer of ChinaAMC (HK) said, "We embrace the technology theme and have been integrating technology into our investment competencies. We listed our first pair of US-tech leveraged and inverse products back in 2016, and also launched a private fund with pioneering artificial intelligent investment strategy last year. We believe the Hang Seng TECH index would become one of the most important technology flagship indexes."

Three major features of the Hang Seng TECH Index:

Feature 1: Gaining full access to a good portfolio of technology giants

The Hang Seng TECH Index has a diversified coverage in technology companies. In addition to the top four heavy-weight stocks namely Alibaba (9988.HK), Tencent (700.HK), Meituan Dianping (3690.HK) and Xiaomi Group (1810.HK), the index also includes a comprehensive suite of technology giants for investors to fully capture the potential return from these stocks.

Feature 2: Covering leading technology themes

Unlike traditional technology companies, the TECH Index covers companies from wider-ranging sectors such as internet (including mobile), fintech, cloud, e-commerce, or

digital activities, enabling investors to easily seize future investment appreciation opportunities from the technology industry.

Feature 3: Capturing opportunities arising from the return of Chinese concept stocks

Over recent years, many technology giants such as Alibaba, Meituan Dianping, NetEase, and JD.com have returned to Hong Kong for listing. The market is expecting the return of more foreign-listed Chinese concept stocks or "unicorns" for possible simultaneous A and H share listing.

The Hang Seng TECH Index has a Fast Entry Rule to allow sizable eligible newly listed technology companies to be included in the index in a more timely manner without the need to wait until the regular quarterly review. Therefore, investors can quickly capture potential investment appreciation opportunities brought about by the return of Chinese concept stocks.

Fund Details⁵

ChinaAMC Hang Seng TECH Index ETF	
Ticker	HKD Counter: 3088.HK / USD Counter: 9088.HK
Management Fee	0.40% p.a.
The total expense ratio ¹	0.60% p.a.
Underlying Index	Hang Seng TECH Index
Underlying Asset	Equity
Exchange Listing	The Stock Exchange of Hong Kong – Main Board
Distribution Policy	Annually (usually in December), subject to Manager's discretion
Manager	China Asset Management (Hong Kong) Limited
Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
Initial Investment ³	2,000 HKD
Product website ⁴	https://www.chinaamc.com.hk/en/products/etf/ChinaAMC_Hang_Seng_TECH_Index ETF/fund-details.html

About China Asset Management (Hong Kong) Limited

ChinaAMC (HK) is a wholly-owned subsidiary of China Asset Management Co., Ltd and was incorporated in Hong Kong in September 2008. As an advocate of globalized financial markets, ChinaAMC (HK) is a diversified and integrated asset management company. ChinaAMC (HK) has a broad range of product lines, including long-only funds, hedge funds, exchange traded funds (ETFs), leveraged/inverse products, bond funds, segregated accounts and funds of funds (FOFs). For more information, please visit www.chinaamc.com.hk⁴.

For further information, please contact:

China Asset Management (Hong Kong) Limited

invest@chinaamc.com

Investing involves risk, including possible loss of principal. The Product is an investment fund and not a bank deposit. Please read the prospectus carefully and consider the Product's investment objectives, risk factors, and charges and expenses before investing.

This document is prepared by China Asset Management (Hong Kong) Limited. It has not been reviewed by the Securities and Futures Commission. Please refer to the offering documents for Hang Seng TECH Index disclaimer.

¹ As the product is newly set up, this figure is a best estimate only and represents the sum of the estimated ongoing charges expressed as a percentage of the estimated average NAV. It may be different upon actual operation of the product and may vary from year to year. The estimated ongoing charges do not represent the estimated tracking error. Please refer to the fund's offering documents for details of the fees.

² Source: Bloomberg as of 31 July 2020. Performance was calculated in HKD and on total return basis, from 31 December 2019 to 31 July 2020. Investment involves risk. Figures used are for illustrative purposes of the strategy only and are not indicative of the actual return likely to be achieved by the fund.

³ Based on the listing price, may increase or decrease depending on the market price.

⁴ The website has not been reviewed by the Securities and Futures Commission.

⁵ Please refer to the fund's offering documents for details, including risk factors.

Index Provider Disclaimer

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