

ChinaAMC(HK) Proudly Introduces ChinaAMC Hang Seng Hong Kong Biotech Index ETF (Ticker: 3069 HK) to the Market

Investment involves risks, including the loss of principle. Past performance is not indicative of future results. Before investing in the ChinaAMC Hang Seng Hong Kong Biotech 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 Hong Kong-Listed Biotech 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 biotech companies and in a particular geographical region (i.e. Hong Kong and PRC). The Fund may be more volatile than a broadly-based fund.
- The Fund is exposed to risks associated with characters of biotech companies, such as pre-revenue, incurrence of net current liabilities, lower liquidity, higher volatility, dependency on intellectual property rights or patents, technological changes, increased regulations and intense competition.
- The Fund is subject to tracking error risk, which may result from the investment strategy used, and fees and expenses.
- 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, 17 March 2021 】 - China Asset Management (Hong Kong) Limited ("ChinaAMC (HK)") is pleased to announce the launch of ChinaAMC Hang Seng Hong Kong Biotech Index ETF (3069.HK) ("the Fund"). The Fund aims at tracking the performance of Hang Seng Hong Kong-listed Biotech Index, and it will be the first purely Hong Kong-listed names Biotech ETF available in the market¹. The Fund will be listed on the Main Board of SEHK on 18 March 2021.

Grasp the investment opportunities in biotechnology industry

The S&P Biotechnology Select Industry Index in the United States, where the largest biotechnology industry and biotechnology stocks listing market are located, has increased more than six times² since 2010. Biotechnology industry in China, which is the second largest in the world, has also developed rapidly in recent years demonstrating a great potential. The biotech R&D spending by biotechnology and pharmaceutical companies in China has been growing at a faster pace than that of the US.

According to the 14th Five-Year Plan and industry development strategy "Made in China 2025", biotechnology has been selected as one of the key areas in China. Huge market potential coupled with favorable policies by the Chinese government catalyze the

internationalization of Chinese biotech companies. With the increasing biotech R&D expenditure and number of clinical trials, Chinese biotech companies have been developing and gaining a more importance place in the international community.

In particular, it is worth mentioning that Hong Kong has become the largest biotech fundraising centre in Asia and the second largest one worldwide³. The city has gathered multiple high-quality and promising Chinese biotech companies. In the past few years, the number and market value of Chinese biotech companies listed on HKEX have far exceeded those listed in Shanghai Stock Exchange STAR Market and the US NASDAQ stock exchange. With the “Agglomeration Effect” formed by biotechnology stocks, it is believed that the next five to ten years will be a critical moment for the establishment of a large-scale biotechnology ecosystem in Hong Kong.

The Fund tracks the performance of the Hang Seng Hong Kong-Listed Biotech Index and is highly representative of the relevant companies listed in Hong Kong. The selection criteria of the index include Main Board listed securities on the SEHK that are classified as “Biotechnology”, “Pharmaceuticals”, and “Medical Devices” in the Hang Seng Industry Classification System, and those listed under Chapter 18A of HKEX listing rules. Securities ranked within cumulative full market capitalization coverage of 95% in this universe will be chosen as constituent stocks.

The Hang Seng Hong Kong-listed Biotech Index rose nearly 70.4% in the past year, significantly outperforming the Hang Seng Index which had an increase of 25.9% during the same period, according to Bloomberg data.⁴

Mr. Tian Gan, CEO of ChinaAMC(HK) said, “As an experienced ETF issuer, ChinaAMC(HK) is honoured to announce the launch of the ChinaAMC Hang Seng Hong Kong Biotech Index ETF on HKEX. We observe strong momentum and huge potential in the biotech industry and this product allows investors to invest in the rapid development of the industry through a low-cost way and reduced risk of investing in a single enterprise.”

Mr. Brian Roberts, Head of Exchange Traded Products at HKEX said, “We are delighted to welcome the listing of ChinaAMC Hang Seng Hong Kong Biotech Index ETF on HKEX, which provides investors with a new tool to gain targeted exposure to Hong Kong-listed biotech companies. Hong Kong’s role as a global biotech fundraising hub is creating product development opportunities for ETF issuers to meet investor needs. We look forward to more new-economy listings to further enrich the product diversity of our ETF market.”

Mr. Charles Li, ex-Chief Executive of HKEX said, “Since the COVID-19 pandemic, we have witnessed that the three keywords of ‘biotechnology’, ‘investment’ and ‘Hong Kong’ are more closely integrated than ever before. The launch of a biotechnology index ETF will combine the three keywords of long-termism, diversification and inclusiveness.

It will further integrate into the biotechnology industry that is closely related to us, so as to continue to sow beautiful seeds for value, life, and society. Hereby, congratulations on the successful listing of ChinaAMC Hang Seng Hong Kong Biotech Index ETF!”

Mr. Chris Chen, CEO of WuXi Biologics said, “As the world's leading open-access and integrated biologics technology platform, WuXi Biologics is committed to accelerating and transforming the discovery, development and manufacturing process for global biologics. ChinaAMC Hang Seng Hong Kong Biotech Index ETF emerges as the market’s very first product to track the Hang Seng Hong Kong-Listed Biotech index. The introduction marks an exciting addition to investment offerings in Hong Kong, allowing retail and institutional investors, backed by ChinaAMC (HK)’s outstanding investment management capabilities, to seize the tremendous upside in biotech driven by innovation momentum.”

Dr. Michael Yu, Founder, Chairman and CEO of Innovent Biologics said, “Innovent’s mission is to develop and commercialize high quality biopharmaceutical products that are affordable to ordinary people. Our vision is to be a premier biopharmaceutical company in the world. Benefiting from the breakthrough listing rule reform for biotech companies made by HKEx in 2018, Innovent achieved a successful landmark IPO in Hong Kong in Oct 2020 and has continuously received strong support from investors globally. We are pleased to see the listing of the ChinaAMC Hang Seng Hong Kong Biotech Index ETF in Hong Kong, bringing more market attention to biotech companies.”

Mr. Dongchen Cai, Chairman and CEO of CSPC Pharmaceutical Group said, “Global pharmaceutical and biotechnology industry are still flourishing, and the deep reform of China’s medical and healthcare system will further promote the development of biotech and innovative drugs. Since HKEX launched Chapter 18A in 2018, Hong Kong has become the largest biotech fundraising venue in Asia. We are thrilled to see the launch of ChinaAMC Hang Seng Hong Kong Biotech Index ETF, allowing investors to enjoy more investment options in pharmaceutical and biotechnology industry in Asia.”

Mr. Edward Hu, Vice Chairman, Global Chief Investment Officer of WuXi AppTec said, “In the past few years, with the continuous emergence of new technologies, new mechanisms of action and new therapeutic modalities, as well as support of investors, the global and China healthcare industry has developed rapidly. We are also very optimistic about the future. WuXi AppTec will continue to invest in new capabilities and capacities that help our global partners bring ground-breaking medicines and treatments to patients in need. ChinaAMC Hang Seng Hong Kong Biotech Index ETF will be the very first product to track the Hang Seng Hong Kong-Listed Biotech index, and WuXi AppTec is glad to be included in the portfolio.”

Mr. Yong Lin, CEO of Haitong International said, “In the past three years, the Hong Kong market has formed a representative sector composed of high-quality Chinese

biopharmaceutical companies. We are very pleased to participate in the launch of the ChinaAMC Hang Seng Hong Kong Biotech Index ETF to provide investors with a product that captures long-term investment opportunities in the industry.”

Mr. Haizhou Huang, Managing Director of CICC said, “We believe that China's biopharmaceutical industry will flourish in the next ten years. Meanwhile, with more high-quality biotech companies coming to Hong Kong for listing, we also believe it will be an important driving force for long-term investment returns. We are delighted to participate in the launch of the ChinaAMC Hang Seng Hong Kong Biotech Index ETF.”

Dr. Bin Li, CIO and CEO of Lake Bleu Capital (Hong Kong) said, “The biotechnology sector in Hong Kong is the best showcase of capital propelling development of the industry. We believe China's biopharmaceutical industry and Hong Kong's capital market will continue to promote each other positively, and it will contribute to long-term investment gain. The ChinaAMC Hang Seng Hong Kong Biotech Index ETF provides institutional and individual investors with a new choice to diversify the risks of individual stocks and participate in the growth of the industry.”

Product Information

ChinaAMC Hang Seng Hong Kong Biotech Index ETF	
Ticker	3069.HK
Underlying Index	Hang Seng Hong Kong-Listed Biotech Index
Underlying Asset Type	Equity
Exchange	The Stock Exchange of Hong Kong Ltd - Main Board
Listing Date	18th March 2021
Trading Lot Size	100 Units
Trading Currency	HKD
Management Fee	0.50% per annum
Distribution policy	Annually (usually in December, if any) subject to the Manager’s discretion
Fund manager	China Asset Management (Hong Kong) Limited
Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
Website ⁵	http://3069.chinaamc.com.hk/

About China Asset Management (Hong Kong) Limited

China Asset Management (Hong Kong) Limited (“ChinaAMC(HK)”) is a wholly-owned subsidiary of China Asset Management Co. Limited that was incorporated in Hong Kong in September 2008. ChinaAMC(HK) is one of the first mainland Chinese fund management companies licensed to conduct asset management business in Hong Kong and one of the first RQFII fund managers. Its vision is to become a pillar of the international financial architecture, helping to bridge the markets between China and the rest of the world.

ChinaAMC(HK) has a broad range of product lines and services, including long-only funds, hedge funds, Exchange Traded Funds (ETF), leveraged/Inverse products, bond funds, segregated accounts as well as advisory services for both individual and institutional investors in Asia, Europe and the U.S.

For enquiries, please contact

China Asset Management (Hong Kong) Limited

+852 3406-8688

hkservice@chinaamc.com

^{1, 2, 4} *Source: Bloomberg, 16 March 2021*

³ *Source: HKEX, October 2020*

⁵ *This website has not been reviewed by the Securities and Futures Commission*

Investing involves risk, including possible loss of principal. Investment in emerging market countries may involve heightened risks such as increased volatility and lower trading volume, and may be subject to a greater risk of loss than investment in a developed country. Please carefully consider the Fund's investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the relevant Fund's prospectus. Please read the prospectus carefully before investing. ChinaAMC Funds are not sponsored, endorsed, issued, sold or promoted by their index providers (only applicable to ETFs and index funds). For details of an index provider including any disclaimer, please refer to the relevant ChinaAMC Fund offering documents. This document is prepared by China Asset Management (Hong Kong) Limited and has not been reviewed by the Securities and Futures Commission.