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ChinaAMC CSI 300 Index ETF

*(A sub-fund of ChinaAMC ETF Series, a Hong Kong umbrella unit trust,
authorised under Section 104 of the Securities and Futures Ordinance
(Cap. 571) of Hong Kong)*

Stock Code: 83188

Announcement -

Addition of a new Hong Kong dollar counter of the ChinaAMC CSI 300 Index ETF under the Dual Counter model effective 26 October 2012

Introduction

The units (the "Units") in ChinaAMC CSI 300 Index ETF (the "Sub-Fund") are currently denominated and traded in Renminbi ("RMB"). The Manager has been granted approval by 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 of Hong Kong ("CCASS") under a dual counter (the "Dual Counter") arrangement with effect from 26 October 2012 (the "Effective Date"). As such Units may, from the Effective Date, be traded on the SEHK in either RMB or Hong Kong dollars ("HKD").

Dual Counter model

Investors should note that (i) the Units – whether traded in either currency – remain denominated in RMB and of the same class, with the same rights attaching thereto, (ii) the board lot size of 200 Units remains the same for HKD traded Units, and (iii) subscription for Units will still only be able to be made in RMB and redemption proceeds in respect of Units (whether RMB traded Units or HKD traded Units) will only be paid in RMB.

With regard to distributions investors should note that all Units (whether RMB traded Units or HKD traded Units) will only receive distributions in RMB. More information with regard to the Dual Counter model is available on the website of Hong Kong Exchanges and Clearing Limited www.hkex.com.hk/eng/prod/secprod/etf/dc.htm.

Different counters

Investors will, from the Effective Date, be able to distinguish the different currency traded Units as follows: RMB counter and traded Units will have a SEHK stock code and short name as 83188 and “CAM CSI300-R” whilst the HKD counter and traded Units will have a SEHK stock code and short name as 03188 and “CAM CSI300”. In addition each counter will have a unique and separate International Securities Identification Number (ISIN) assigned to it: For the RMB counter HK0000110269 and for the HKD counter HK0000123577.

Investors should note that the market price on the SEHK of HKD traded Units and of RMB traded Units may deviate significantly due to different factors such as market liquidity, supply and demand in each counter and the exchange rate between the HKD and the RMB (in both the onshore and offshore markets).

For further details please refer to the Prospectus.

Inter-counter transfer

The Dual Counter arrangement will, subject to the relevant broker or CCASS participant offering an inter-counter transfer service, allow Unitholders to transfer Units from the RMB counter to the HKD counter and vice versa from the Effective Date. Such inter-counter transfers are effected and processed within CCASS only. However, it should be noted that not all brokers and CCASS participants will be able to offer an inter-counter service.

Market making

As with all exchange traded funds (each, an “ETF”) listed on the SEHK, the Manager will ensure that there is at all times at least one market maker for Units traded in RMB and, from the Effective Date, one market maker for Units traded in RMB and one market maker for Units traded in HKD (although the same entity can act as the market maker for both counters).

For a list of the market makers for each counter please refer to the Prospectus for the Sub-Fund (the “Prospectus”).

Dual Counter related risks

The SEHK’s Dual Counter model in Hong Kong is new and the Sub-Fund is one of the first ETFs to have Units traded in both RMB and HKD. The novelty and relatively untested nature of the Dual Counter may bring additional risks for investing in the Sub-Fund.

If there is a suspension of the inter-counter transfer of Units between the HKD counter and the RMB counter for any reason, Unitholders will only be able to trade their Units in the relevant counter on the SEHK.

The market price on the SEHK of HKD traded Units and of RMB traded Units may deviate significantly due to different factors, such as market liquidity, supply and demand in each counter and the exchange rate between the RMB and the HKD (in both the onshore and the offshore markets). As such investors may pay more or receive less when buying HKD traded Units on the SEHK than in respect of RMB traded Units and vice versa.

Investors without RMB accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell RMB traded Units and should note that distributions are made in RMB only. As such, investors may suffer a foreign exchange loss and incur foreign exchange associated fees and charges to receive

their dividend.

Not all brokers and CCASS participants may be familiar with and able to buy Units in one counter and to sell Units in the other or to carry out inter-counter transfers of Units or to trade both counters at the same time. This may inhibit or delay an investor dealing in both HKD traded Units and RMB traded Units and may mean an investor can only trade in one currency.

For further risks associated with the Sub-Fund, please refer to the Prospectus.

SEHK approval

In accordance with the Dual Counter procedures, the SEHK has granted its approval for admission for trading of the Units to the HKD counter with effect from the Effective Date, 26 October 2012.

Stamp duty

Approval has been given for remission or refund in full of stamp duty payable or paid in respect of any contract notes or instruments of transfer relating to transactions in all Units (both RMB traded and HKD traded Units).

Website

From the Effective Date the website of the Manager in respect of the Sub-Fund (<http://etf.chinaamc.com.hk/HKen/CSI300>) will be updated. In particular the near real time net asset value ("NAV") per Unit and the last closing NAV per Unit will also be provided in HKD (although it should be noted that the near real time estimated NAV per Unit in HKD and the last closing NAV per unit in HKD are for reference only).

The near real time estimated NAV per Unit in HKD does not use a real time HKD:RMB foreign exchange rate – it is calculated using the estimated NAV per Unit in RMB multiplied by an assumed foreign exchange rate using the Tokyo Composite 3:00 p.m. Tokyo time (2:00 p.m. Hong Kong time) mid rate quoted by Bloomberg for offshore RMB (CNH) on the previous SEHK trading day. Since the estimated NAV per Unit in RMB will not be updated when the underlying A-Share market is closed, the change to the estimated NAV per Unit in HKD (if any) during such period is solely due to the change in the foreign exchange rate. The last closing NAV per Unit in HKD is calculated using the last closing NAV per Unit in RMB multiplied by an assumed foreign exchange rate using the Tokyo Composite 3:00 p.m. Tokyo time (2:00 p.m. Hong Kong time) mid rate quoted by Bloomberg for offshore RMB (CNH) as of the same Dealing Day. Please refer to the website for details.

Prospectus

With immediate effect the Prospectus has been updated, reissued and is available on the Manager's website <http://etf.chinaamc.com.hk/HKen/CSI300>.

The changes to the Prospectus provide enhanced disclosure with regard to the Dual Counter arrangements described above. In particular (i) additional risk factors relating to the Dual Counter have been added, (ii) further disclosures have been inserted under "Creations and Redemptions (Primary Market)" and "Exchange Listing and Trading (Secondary Market)", (iii) the sections concerning distributions have been amended to emphasize the fact that investors will only receive dividends in RMB even if holding HKD traded Units, and (iv) consequential changes have been made to the text of the Prospectus to make it consistent with the Dual Counter arrangements generally.

Further enquiries

Investors who have any enquiries regarding the above may contact the Manager at 37th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong or our enquiry hotline at (852) 3406 8686 during office hours.

**China Asset Management (Hong Kong) Limited
as Manager of ChinaAMC CSI 300 Index ETF**

19 October 2012