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ChinaAMC Select OFC

(a Hong Kong public umbrella open-ended fund company with variable capital, limited liability and segregated liability between sub-funds and authorised under section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)
(the “**Company**”)

ChinaAMC Bitcoin ETF

*HKD Counter Stock Code: 3042
RMB Counter Stock Code: 83042
USD Counter Stock Code: 9042*

ChinaAMC Ether ETF

*HKD Counter Stock Code: 3046
RMB Counter Stock Code: 83046
USD Counter Stock Code: 9046*

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

Announcement Introduction of Anti-dilution Pricing Adjustment Mechanism to Unlisted Classes of Shares and Update of definition of “Business Day”

Unless otherwise defined in this Announcement, capitalised terms used in this Announcement shall have the same meaning as defined in the prospectus of the Company and the Sub-Funds (the “**Prospectus**”).

China Asset Management (Hong Kong) Limited (the “**Manager**”), the manager of the Company and the Sub-Funds, hereby wishes to inform Shareholders that with effect from 31 October

2024 (the “**Effective Date**”), an anti-dilution pricing adjustment mechanism (the “**Swing Pricing Mechanism**”) will be introduced to the Unlisted Classes of Shares of each Sub-Fund. In this connection, the instrument of incorporation of the Company (the “**Instrument**”) will be amended and restated to allow for the introduction of the Swing Pricing Mechanism to the Unlisted Classes of Shares in respect of the Company.

The Manager also wishes to inform Shareholders that the definition of “Business Day” in the Prospectus will be updated from the date of this Announcement.

1. Introduction of Swing Pricing Mechanism to Unlisted Classes of Shares

Currently, in respect of an Unlisted Class of Shares of each of the Sub-Funds, investors may subscribe for Shares at the Subscription Price, plus any subscription fee and Subscription Adjustment Allowance, and may redeem Shares at the Redemption Price, less any redemption fee and Redemption Adjustment Allowance. The Subscription Price or Redemption Price on any Dealing Day is the price per Share of an Unlisted Class of Shares ascertained by dividing the Net Asset Value of the relevant class as at the Valuation Point in respect of the relevant Dealing Day by the number of Shares of such class then in issue, after rounding treatment.

From the Effective Date, the Swing Pricing Mechanism will be introduced to the Unlisted Classes of Shares of each Sub-Fund to adjust upwards or downwards the Net Asset Value per Share of the relevant Unlisted Classes of Shares in determining the Subscription Price and the Redemption Price.

The Manager will, after consultation with the Custodian, adopt the Swing Pricing Mechanism in order to mitigate any adverse impact caused to a Sub-Fund by a dilution in the event of substantial net subscriptions or net redemptions in respect of all Unlisted Classes of Shares of the Sub-Fund and may adjust upwards or downwards the Net Asset Value per Share of the relevant Unlisted Classes of Shares of a Sub-Fund in determining the Subscription Price and the Redemption Price. For the avoidance of doubt, such adjustment will be made to all Unlisted Classes of Shares of a Sub-Fund equally.

If, on a particular Dealing Day, the aggregate net transactions (either net subscriptions or net redemptions) in respect of all Unlisted Classes of Shares of a Sub-Fund exceed the threshold as pre-determined by the Manager in consultation with the Custodian from time to time, the Net Asset Value per Share of the relevant Unlisted Class of Shares may be adjusted upwards (downwards) by an amount not exceeding 1% of that Net Asset Value per Share in order to mitigate the dilution effect and to protect the interests of the Shareholders. The threshold is determined by the Manager taking into account factors including but not limited to the prevailing market conditions, the estimated dilution costs and the size of the Sub-Fund.

The rate of adjustment may temporarily increase beyond the aforesaid percentage under exceptional circumstances (including but not limited to extreme market conditions which may have an unfavourable impact on the interests of existing Shareholders) if the Manager considers in good faith that it is in the best interests of the Shareholders as a whole. Such pre-determined threshold(s) will be determined and reviewed on a periodic basis by the Manager. The Manager will consult the Custodian prior to any aforesaid adjustment and such adjustment will only be made where the Custodian has no objection to it. Any additional amount as a result of such adjustment will be retained by the relevant Sub-Fund and will form part of the assets of the relevant Sub-Fund attributable to the relevant class.

The Prospectus will be revised on or around the Effective Date, and investors should refer to the revised Prospectus for more details on the Swing Pricing Mechanism.

As a result of the introduction of the Swing Pricing Mechanism, an Unlisted Class of Shares of a Sub-Fund will be subject to the following risks associated with swing pricing adjustment:

- In order to mitigate any adverse impact caused to a Sub-Fund by a dilution in the event of substantial net subscriptions or net redemptions in respect of all Unlisted Classes of Shares of the Sub-Fund, the Manager may (if in its opinion in good faith it is in the best interest of Shareholders to do so), through Swing Pricing Mechanism, adjust the Net Asset Value per Share of an Unlisted Class of Shares. Consequently, investors may subscribe (redeem) at a higher Subscription Price (lower Redemption Price). Investors should note that the occurrence of events which may trigger adjustment of prices is not predictable. It is not possible to accurately predict how frequent such adjustments of prices will need to be made. Adjustments may be greater than or less than the actual charges incurred. Investors should also be aware that adjustment of prices may not always, or fully, prevent the dilution of the Sub-Fund's assets.

Reason for introduction of Swing Pricing Mechanism to Unlisted Classes of Shares

The introduction of the Swing Pricing Mechanism allows the Manager to mitigate the adverse impact arising from the dilution effect on a Sub-Fund's assets caused by the dealing and other associated costs incurred in purchasing or selling the underlying assets of a Sub-Fund in response to a significant amount of net subscriptions or net redemptions.

Impact on the Sub-Funds

As a result of the introduction of the Swing Pricing Mechanism, existing investors in an Unlisted Class of Shares of each Sub-Fund may be subject to adjustment due to the Swing Pricing Mechanism (the amount of which will not exceed 1% of the Net Asset Value per Share of the relevant class under normal situation, but the rate of adjustment may temporarily increase beyond the aforesaid percentage under exceptional circumstances) when they subscribe for, redeem, or switch Shares in the relevant Unlisted Class of Shares.

The costs and/or expenses incurred in respect of the introduction of the Swing Pricing Mechanism to the Unlisted Classes of Shares of each Sub-Fund will be borne by the relevant Sub-Fund. The estimated cost (including legal fees and translation fees) is around HKD50,000 for each Sub-Fund. This represents 0.0042% of the Net Asset Value of ChinaAMC Bitcoin ETF and 0.0407% of the Net Asset Value of ChinaAMC Ether ETF, as of 27 September 2024.

Following the introduction of the Swing Pricing Mechanism to the Unlisted Classes of Shares, other than as outlined above, there will be (i) no material change in the features or risk profile of each of the Sub-Funds, (ii) no change in the operation or manner in which each of the Sub-Funds is being managed and (iii) no change in the fee level or cost in managing each of the Sub-Funds. The introduction of the Swing Pricing Mechanism will not materially prejudice the rights or interests of the existing investors of the Sub-Funds.

Investors who do not wish to remain invested in an Unlisted Class of Shares on or after the Effective Date may redeem their Unlisted Class of Shares free of redemption fee at any time prior to the Effective Date.

2. Amendment to the Instrument

The Instrument will be amended and restated in due course to allow for the introduction of the Swing Pricing Mechanism to the Unlisted Classes of Shares in respect of the Company. The amendment of the Instrument does not require Shareholders' approval pursuant to the Instrument and applicable laws and regulations.

3. Update of definition of “Business Day”

In light of the implementation of trading of Hong Kong securities and derivatives under severe weather conditions by the HKEx with effect from 23 September 2024, the definition of “Business Day” in respect of the Sub-Funds for the purposes of the Prospectus will be updated from the date of this Announcement as follows:

Current Definition	Updated Definition
“Business Day” in respect of a Sub-Fund, means, unless the Manager otherwise agrees or otherwise specified in Part 2 of this Prospectus, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which Virtual Assets and/or Securities and/or FDIs comprised in the relevant Index or Virtual Assets and/or Securities and/or FDIs comprised in the relevant Sub-Fund, as the case may be, are traded is open for normal trading, or if there are more than one such market, the market designated by the Manager is open for normal trading, and (b) (where applicable) the Index is compiled and published, or such other day or days as the Manager and the Custodian may agree from time to time provided that if on any such day, the period during which the relevant market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager otherwise agrees.	“Business Day” in respect of a Sub-Fund, means, unless the Manager otherwise agrees or otherwise specified in Part 2 of this Prospectus, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which Virtual Assets and/or Securities and/or FDIs comprised in the relevant Index or Virtual Assets and/or Securities and/or FDIs comprised in the relevant Sub-Fund, as the case may be, are traded is open for normal trading, or if there are more than one such market, the market designated by the Manager is open for normal trading, and (b) (where applicable) the Index is compiled and published, or such other day or days as the Manager and the Custodian may agree from time to time.

All references to “Business Day” in the Prospectus should be construed accordingly, including but not limited to the definitions of “Dealing Day” and “Settlement Day”.

The Manager confirms that (i) the above change will not amount to a material change to the Sub-Funds; (ii) there will be no material change or increase in the overall risk profile of the Sub-Funds following the above change; and (iii) there will be no material adverse impact on Shareholders’ rights or interests (including changes that may limit Shareholders’ ability in exercising their rights).

4. General

The Prospectus will be revised on or around the Effective Date to reflect the above changes and other miscellaneous updates. The revised Prospectus will be available on the Manager’s website at www.chinaamc.com.hk (this website has not been reviewed by the SFC) and the HKEx’s website at www.hkex.com.hk on or around the Effective Date.

Copies of the amended and restated Instrument will be available in due course for inspection free of charge during normal office hours at the offices of the Manager (please see the address below) and copies thereof may be obtained from the Manager upon the payment of a reasonable fee.

Investors who have any enquiries regarding the above may contact the Manager at 37/F, 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 the Company and the Sub-Funds
30 September 2024**