

ChinaAMC Select Fund
(the “Fund”)

ChinaAMC Select Asia Bond Fund
ChinaAMC Select Fixed Income Allocation Fund
(each a “Sub-Fund” or collectively, the “Sub-Funds”)

NOTICE TO UNITHOLDERS

This notice is important and requires your immediate attention. If you are in any doubt about the content of this notice, you should seek independent professional financial advice and/or legal advice.

All capitalized terms herein contained shall have the same meaning in this notice as in the Explanatory Memorandum of the Fund and the Sub-Funds dated May 2020, as may be amended and supplemented from time to time (the “**Explanatory Memorandum**”). China Asset Management (Hong Kong) Limited, the manager of the Fund (the “**Manager**”), accepts full responsibility for the accuracy of the information contained in this notice at the date of publication.

15 May 2020

Dear Unitholder,

We, as the Manager of the Fund and the Sub-Funds, are writing to inform you that with effect from the date of this notice, the changes set out below have been made to the Fund and the Sub-Funds.

1. Clarification of “below investment grade” fixed income and debt instruments of ChinaAMC Select Asia Bond Fund

Currently, it is disclosed in the Explanatory Memorandum that, save and except the RMB denominated fixed income securities (including urban investment bonds) issued or distributed in Mainland China, more than 30% (but not exceeding 70%) of the Sub-Fund’s Net Asset Value may be invested in fixed income and debt instruments themselves or the issuers of such fixed income and debt instruments which are below investment grade (i.e. having a credit rating of Ba1 or BB+ or below rated by Moody’s or Standard & Poor’s or equivalent ratings by other internationally recognized credit rating agencies of similar standing) or unrated.

The Manager would like to clarify that in the case of a fixed income and debt instrument or the issuer of such fixed income and debt instrument has more than one credit ratings, it is below investment grade if all of its credit ratings are of Ba1 or BB+ or below rated by Moody’s or Standard & Poor’s or equivalent ratings by other internationally recognized credit rating agencies of similar standing.

2. Elaboration of investment strategy of ChinaAMC Select Fixed Income Allocation Fund

Significant exposure to the Mainland China

The Sub-Fund seeks to achieve capital appreciation by directly or indirectly investing not less than 70% of the Net Asset Value of the Sub-Fund in fixed income and debt instruments in markets worldwide.

It is to clarify that while it is not the intention of the Manager to invest primarily in any single country/jurisdiction globally, the Sub-Fund's aggregate exposure to the Mainland China, including investments in offshore securities issued or guaranteed by issuers domiciled or carrying out the predominant part of their economic activities in the Mainland China and onshore Mainland China securities (including but not limited to A-Shares, B-Shares, RMB denominated fixed income securities issued or distributed in Mainland China, and such other financial instruments permitted by applicable Chinese regulators) may, on an occasional basis, be significant, but will be less than 60% of the Sub-Fund's Net Asset Value. The Manager does not anticipate that the Sub-Fund will invest more than 30% of its Net Asset Value in any single country/jurisdiction other than the Mainland China.

Investment in debt instruments with loss-absorption features ("LAP")

Currently, the Sub-Fund does not have any investment in debt instruments with loss-absorption features.

With effect from the date of this notice, the Manager would like to have greater flexibility in achieving the above investment objective of the Sub-Fund by expanding the types of instruments in which the Sub-Fund may invest based on its existing investment strategy such that up to 30% of the Sub-Fund's Net Asset Value may be invested in debt instruments with loss-absorption features (including contingent convertible bonds (Additional Tier 1 and Tier 2 Capital Instruments), senior non-preferred debt securities, instruments issued under the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules and other similar instruments that may be issued by banks or other financial institutions).

The Manager would also like to enhance the key risks disclosure of the Sub-Funds to include relevant PRC risks, emerging market risks, convertible bonds risks and risks associated with investments in debt instruments with loss-absorption features, where appropriate.

The Manager considers the clarification of "below investment grade" fixed income and debt instruments of ChinaAMC Select Asia Bond Fund and elaboration of investment strategy of ChinaAMC Select Fixed Income Allocation Fund above do not amount to material changes to the Sub-Funds and do not result in material change or increase in the overall risk profile of the Sub-Funds. Such clarification and elaboration do not have a material adverse impact on unitholders' rights or interests, including any limit to unitholders' ability in exercising their rights.

The Explanatory Memorandum of the Fund and the Sub-Funds and the Product Key Facts Statements of the Sub-Funds have been updated to reflect the above accordingly, which are available at www.chinaamc.com.hk (this website has not been reviewed by the SFC) from the date of this notice.

Copies of the Trust Deed together with all supplemental deeds of the Fund and the Sub-Funds are available to investors for inspection free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the Manager's office at the address stated below.

Unitholders 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 via the Manager's enquiry hotline at (852) 3406 8686 during office hours.

Yours faithfully,

China Asset Management (Hong Kong) Limited