

**ChinaAMC Select Fund
(the “Fund”)**

ChinaAMC Select China New Economy Fund (the “Sub-Fund”)

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 September 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.

Unless otherwise specified, all capitalised terms contained herein shall have the same meaning as in the Explanatory Memorandum.

3 March 2021

Dear Unitholder,

We, as the Manager of the Fund and the Sub-Fund, are writing to inform you of the following changes concerning the Sub-Fund which will take effect from 3 April 2021 (the “**Effective Date**”).

1. Change of name and investment strategy of the Sub-Fund (“Change of Investment Strategy”)

Currently, the Sub-Fund seeks to achieve long term capital growth by investing not less than 70% of its Net Asset Value in equities of companies which, in the opinion of the Manager, will likely benefit from innovations, use of new technologies or offering products and services that meet the demands of the new and evolving China economy (“**China-Related Companies**”) with registered offices located in Mainland China or Hong Kong, and/or China-Related Companies that do not have their registered offices in Mainland China or Hong Kong but either (a) carry out a predominant proportion of their business activities in Mainland China or Hong Kong or (b) are holding companies which predominantly own companies with registered offices in Mainland China or Hong Kong. When investing in the above, the Sub-Fund may invest in such sectors that the Manager considers appropriate.

Not less than 50% of the Sub-Fund's Net Asset Value will be invested in equity securities which are (a) traded in Hong Kong dollars and (b) listed on the stock exchange of Hong Kong. Such equity securities will have a focus on China-Related Companies.

The Manager intends to maintain at all times that at least 50% of the Sub-Fund's Net Asset Value will be denominated in Hong Kong Dollars.

In light of the Manager's views of the current and prospective economic and market conditions in the global markets, the Manager would like the Sub-Fund to place a greater emphasis on technology companies in the interests of the Sub-Fund's investors via the Change of Investment Strategy.

From the Effective Date, the Sub-Fund will seek to achieve its existing investment objective of long term capital growth by investing not less than 70% of its Net Asset Value in equities of technology companies which, in the opinion of the Manager, will likely benefit from innovations, use of new technologies or offering products and services that meet the demands of the new and evolving China economy ("**China-Related Technology Companies**") with registered offices located in the Greater China area (including Mainland China, Hong Kong, Macau and Taiwan), and/or China-Related Technology Companies that do not have their registered offices in the Greater China area but either (a) carry out a predominant proportion of their business activities in Greater China or (b) are holding companies which predominantly own companies with registered offices in Greater China.

The stock exchanges on which the equity securities invested by the Sub-Fund may be listed will also be broadened such that these equities may be listed on the stock exchanges of Mainland China, Hong Kong, the U.S. or other stock exchanges worldwide, provided that not less than 70% of the Sub-Fund's Net Asset Value will be invested in equities listed on the stock exchanges of the Greater China area, of which not more than 30% of its Net Asset Value may be invested equities listed on the stock exchanges of Mainland China. Accordingly, the Sub-Fund may invest not more than 30% of its Net Asset Value in equities of companies listed on stock exchanges around the world other than in the Greater China area, including those in the U.S.. American depository receipts will be regarded by the Sub-Fund as U.S. listed equities.

Change of name of the Sub-Fund

The name of the Sub-Fund will also be revised to "ChinaAMC Select Greater China Technology Fund" to reflect the Change of Investment Strategy.

Impact on unitholders

As a result of the above changes, the Sub-Fund may have a greater exposure to the following risk factors:

Risks relating to technology companies – *The Sub-Fund's investments are concentrated in technology companies. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.*

Companies in the technology sector may be subject to higher volatility in price performance when compared to other economic sectors. Rapid changes in the market and intense competition in the technology sector may have an adverse effect on profit margins, causing investments in such companies to be more volatile. Unpredictable changes in competition may be in the form of more advanced or new technologies, new competing products and/or enhancement in existing products. Moreover, a technology-related business is subject to complex laws and regulations which may be costly to comply with. There may also be substantial government intervention, such as restrictions on investments in technology-related companies or access to relevant products and services. Technology companies heavily reliant on patents and intellectual property rights and/or licences may be adversely impacted by the loss or impairment of such intellectual property assets. All of these may adversely affect the profitability of the companies in the technology sector and the value of the Sub-Fund's investments.

Risks associated with depositary receipts – *Exposure to depositary receipts may generate additional risks compared to a direct exposure to the underlying stocks, including the risk of non-segregation of the underlying stocks from the depositary banks' own assets and liquidity risk (as depositary receipts are often less liquid than the underlying stock). These may negatively affect the performance and/or liquidity of the Sub-Fund. Also, depositary receipts holders generally do not have the same right as the direct shareholders of the underlying stocks. The performance of depositary receipts may also be impacted by the related fees. Depositary receipts listed on stock exchange(s), like listed equity securities, are also subject to delisting risk. In particular, depositary receipts listed on stock exchange(s) may be delisted as a result of regulatory actions by local government(s) and/or the relevant stock exchange(s). Certain investors would not be allowed to invest in such depositary receipt(s), which would also become difficult to trade and value. This may in turn have an adverse impact on the Sub-Fund.*

Except the changes mentioned above, there will be no change in the operation and/or manner in which the Sub-Fund is being managed and there will be no material impact on Unitholders as a result of the Change of Investment Strategy. The Change of Investment Strategy will not materially prejudice the existing Unitholders' rights or interests. There are no other changes to the features of the Sub-Fund.

The costs of implementing the Change of Investment Strategy are approximately HK\$120,000 which will be borne by the Sub-Fund. The ongoing charges of unit classes of the Sub-Fund are currently capped at 2.50% of the average net asset value of each of the relevant unit class. Any ongoing expenses exceeding 2.50% of the average net asset value of each of the unit class during the period will be borne by the Manager and will not be charged to the respective unit class of the Sub-Fund. As such, the costs of implementing the Change of Investment Strategy are expected to only have insignificant impact on the fees and charges incurred by the Sub-Fund and the Net Asset Value of the Sub-Fund and there will be no significant adverse impact to the Unitholders. There will be no change in the fee structure or level of the Sub-Fund following the implementation of the Change of Investment Strategy.

If the Change of Investment Strategy does not align with your investment requirements, you may redeem your investment at any time since the Sub-Fund is not currently subject to any redemption fees.

2. Elaboration of investment strategy of the Sub-Fund

It is currently disclosed that:

- the Sub-Fund may invest not more than 20% of its Net Asset Value in exchange traded funds;
- the Sub-Fund may invest not more than 20% of its Net Asset Value in funds that are authorized and/or not authorized by the SFC and invest directly in Mainland China securities;
- the Sub-Fund's aggregate exposure to investments in securities issued in the Mainland China market, including A-shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (the "**Stock Connect**"), may not exceed 20% of its Net Asset Value.

From the Effective Date, the Sub-Fund's investment strategy is elaborated by way of amendment to the above thresholds based on its existing investment objective such that the Sub-Fund's investment / aggregate exposure to each of the above categories of investments may be not more than 30% of its Net Asset Value.

In addition, the Sub-Fund may currently invest up to 30% of its Net Asset Value in fixed income securities including fixed or floating rate instruments and convertible bonds. From the Effective Date, the Sub-Fund's investment strategy is elaborated by way of addition of examples of underlying assets in which the Sub-Fund may invest based on its existing investment objective, such that, as part of its investment in the foregoing fixed income securities, the Sub-Fund may invest up to 30% of its Net Asset Value 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). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s).

3. Appointment of China Asset Management Co., Ltd as non-discretionary investment advisor of the Sub-Fund

From the Effective Date, the Manager will appoint China Asset Management Co., Ltd as an investment advisor of the Sub-Fund (the "**Investment Advisor**") to provide non-binding investment advice in connection with the Sub-Fund's investments through conducting market research, gathering data, making recommendations, and providing other related advisory services to the Manager. The Investment Adviser's advisory fees will be reimbursed out of the Manager's management fee.

The Manager will retain the day-to-day investment management activities and ultimate decision-making function of the Sub-Fund, as well as the sole overall responsibility for ensuring that the investment objectives, strategies, guidelines, and restrictions of the Sub-Fund are observed and complied with in all aspects.

The Investment Adviser is the parent company of the Manager and was established on 9 April 1998 with approval from the CSRC. The Investment Adviser is one of the first nation-wide fund management firms in Mainland China and is currently one of the largest fund management companies in Mainland China in terms of assets under management (RMB 1.43 trillion as of 30 September 2020).

3. Other updates

The Explanatory Memorandum and/or the Product Key Facts Statements of the Sub-Fund have also been updated to reflect other administrative, clarificatory and editorial amendments. In particular, the list and biographies of Directors of the Manager have been updated.

Copies of the Trust Deed, together with all supplemental deeds, can be inspected 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 37/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong.

The revised Explanatory Memorandum and Product Key Facts Statements of the Sub-Fund will be amended to reflect the above changes and will be available at www.chinaamc.com.hk (this website has not been reviewed by the SFC) in due course.

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

Yours faithfully,

China Asset Management (Hong Kong) Limited