

IMPORTANT:

Hong Kong Exchanges and Clearing Limited ("HKEX"), The Stock Exchange of Hong Kong Limited ("SEHK"), Hong Kong Securities Clearing Company Limited ("HKSCC") and the Securities and Futures Commission ("SFC") take no responsibility for the contents of this Announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Announcement.

SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

This document is important and requires your immediate attention. If you are in any doubt about the contents of this Announcement, you should seek professional advice. Investment involves risks which may result in significant loss as there is no guarantee on investment returns.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement misleading.

ChinaAMC Leveraged/Inverse Series

(the "Trust")

ChinaAMC Direxion NASDAQ-100 Index Daily (2x) Leveraged Product

Stock Code: 7261

(the "Product")

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

Announcement Unit subdivision

Unless otherwise defined, all capitalised terms shall have the same meaning as that in the Prospectus of the Product.

A. Unit subdivision

The Manager of the Product, China Asset Management (Hong Kong) Limited (the "Manager") hereby announces that, effective from 15 June 2020 (the "Effective Date"), each existing Unit in the Product will be subdivided into 4 subdivided Units (the "Unit Subdivision", and such Unit(s) issued by the Product upon completion of the Unit Subdivision referred to as "Subdivided Unit(s)").

Pursuant to Clause 29.8 of the trust deed of the Trust (the "Trust Deed"), the Manager may, upon giving reasonable notice to the Registrar, following consultation with the Trustee and upon the Manager or the Trustee giving to each Unitholder not less than twenty-one days' prior notice determine that each Unit in the Product shall be subdivided into two or more Subdivided Units. HSBC Institutional Trust Services (Asia) Limited, the Trustee of the Trust and the Product, has been consulted and has no objections to the Unit Subdivision. The Trust Deed does not require Unitholders' approval to effect the Unit Subdivision.

The Manager believes that the Unit Subdivision will provide higher flexibility for investors in making trading decisions. This will make the Product more attractive to investors and may

improve the liquidity in trading of the Units of the Product. Therefore, the Manager considers the Unit Subdivision to be in the best interests of the Product and its Unitholders.

Upon the Unit Subdivision becoming effective, the total number of Units in issue for the Product will be increased by a factor of 4. To illustrate, as at 14 May 2020, the total number of Units in issue was 34,000,000 Units. Assuming that no further Units will be created or redeemed after 14 May 2020 and prior to the Unit Subdivision becoming effective, there will be a total of 136,000,000 Subdivided Units immediately following the Unit Subdivision. The Subdivided Units will rank pari passu in all respects with each other and the Unit Subdivision will not result in any change in the relative rights of the Unitholders.

The trading board size of the Product (i.e. at 100 Units) and the minimum size for creation or redemption of Units (i.e. at 100,000 Units) will remain unchanged before and after the Effective Date of Unit Subdivision.

Save for the cost to be borne by the Product (please refer to Section B below for more information), the Unit Subdivision will not alter the underlying assets, business operations, management or financial position of the Product or the proportional interests of the Unitholders. The Manager considers that the Unit Subdivision will not have any adverse effect on the financial position of the Product.

Listing and Dealing

Subject to the granting of listing of, and permission to deal in, the Subdivided Units on the SEHK,, the Subdivided Units will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the Central Clearing and Settlement System established and operated by HKSCC (“**CCASS**”) with effect from the commencement date of dealings in the Subdivided Units on the SEHK on the Effective Date or such other date as may be determined by HKSCC. Settlement of transactions between participants of the SEHK on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Trading Arrangement for Subdivided Units

Upon the Unit Subdivision becoming effective, dealings in the Subdivided Units are expected to commence on the Effective Date. Since the Units of the Product are not certificated, there will not need to be any period of parallel trading to facilitate any exchange of certificates.

Expected Timetable

Effective date of the Unit Subdivision	15 June 2020
Commencement of dealings in the Subdivided Units on the SEHK	9:00 a.m. on 15 June 2020

Should there be any changes in the expected timetable for the implementation of the Unit Subdivision and the associated trading arrangements from those set out above, an announcement will be made by the Manager as and when appropriate.

B. Impact on the Product and Unitholders

The costs incurred by the Product in implementing the Unit Subdivision is approximately HK\$100,000 and will be borne by the Product.

The Manager believes that: (i) the Unit Subdivision does not amount to a material change to the Product; (ii) there will be no material change or increase in the overall risk profile of the Product following the Unit Subdivision; and (iii) the Unit Subdivision does not materially prejudice the rights or interests of investors of the Product.

C. General

The Prospectus and Product Key Facts Statement of the Product will be updated to reflect the Unit Subdivision and will be uploaded on the HKEx's website and on the Manager's website <http://www.chinaamc.com.hk/> (this website has not been reviewed by the SFC) on the Effective Date.

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 華夏基金（香港）有限公司
as Manager of the Product
Date:15 May 2020