

THIS ANNOUNCEMENT AND NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR UNITS OF THE TERMINATING PRODUCTS NAMED BELOW

If you are in any doubt about the contents of this Announcement and Notice or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

If you have sold or transferred all your units in CSOP Nifty 50 Daily (2x) Leveraged Product, and/or CSOP Nifty 50 Daily (-1x) Inverse Product, you should at once hand this Announcement and Notice to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

IMPORTANT: *The Stock Exchange of Hong Kong Limited (the “SEHK”), the Hong Kong Exchanges and Clearing Limited, the Hong Kong Securities and Futures Commission (the “SFC”) and the Hong Kong Securities Clearing Company Limited (the “HKSCC”) take no responsibility for the contents of this Announcement and Notice, 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 and Notice.*

CSOP Asset Management Limited (the “Manager”) accepts full responsibility for the accuracy of the information contained in this Announcement and Notice as at the date of publication, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as at the date of publication, there are no other facts the omission of which would make any statement misleading.

SFC authorisation is not a recommendation or an endorsement of the Trust (as defined below) and the Terminating Products (as defined below) nor does it guarantee the commercial merits of the Trust and the Terminating Products or their performance. It does not mean the Trust and the Terminating Products are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

CSOP Leveraged and Inverse Series (the “Trust”)

(A Hong Kong umbrella unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong)

CSOP Nifty 50 Daily (2x) Leveraged Product (Stock Code: 7202)
CSOP Nifty 50 Daily (-1x) Inverse Product (Stock Code: 7335)
(each a “Terminating Product”, collectively the “Terminating Products”)

ANNOUNCEMENT OF WAIVER FROM STRICT COMPLIANCE OF CHAPTER 11.6 OF THE CODE AND INFORMATION ABOUT THE PUBLICATION OF THE TERMINATION AUDIT REPORT

IMPORTANT: Investors are strongly advised to consider the contents of this Announcement. The Manager has applied to the SFC, and has been granted, a waiver from strict compliance of Chapter 11.6 of the SFC's Code on Unit Trusts and Mutual Funds (the "Code"), regarding the preparation of interim report covering the Termination Audit Period, as defined in this Announcement.

In particular, investors should note that:

- **since from the Trading Cessation Date onwards: (i) all assets of the Terminating Products were realised and the Terminating Products therefore ceased to track the leveraged performance or inverse performance (as the case may be) of the respective underlying indices and are no longer marketed to the public; (ii) the Final Distribution in respect of the Terminating Products to each Relevant Investor is expected to be paid to the accounts of its financial intermediary or stockbroker maintained with CCASS on or around 6 August 2018. The Manager will issue further announcement to inform the Relevant Investors of the exact day of payment of the Final Distribution, together with the amount of Final Distribution per Unit, in due course.**
- **in addition to previous waivers as set out in the April Announcement (as defined below), the Manager has applied to the SFC, and has been granted, a waiver from strict compliance with 11.6 of the Code (with regard to preparing interim report covering the Termination Audit Period, as defined below).**

The Manager hereby announces that the interim report for each of the Terminating Products of the period commencing from 1 January 2018 to 30 June 2018 will be combined with the termination audit of the Terminating Products covering the period from 1 January 2018 to the Termination Date (expected to be as soon as possible after 6 August 2018). The interim report for the above period will be published within three months of the Termination Date (i.e. expected to be no later than 6 November 2018). If there are any changes to the dates and arrangements mentioned herein, the Manager will issue an announcement for the revised dates and arrangements.

Save for the aforesaid provision in respect of which specific waiver has been granted, and waivers from other provisions of the Code as described in the April Announcement (as defined below), the Manager will continue to comply with all the other applicable provisions of the Code, the applicable provisions in the Trust Deed and other applicable laws and regulations.

Investors are strongly advised to read and consider this Announcement, together with the April Announcement (as defined below) and the Prospectus.

Reference is made to the "Announcement and Notice of the Proposed Cessation of Trading, Termination, Voluntary Deauthorisation and Delisting and Waiver from Strict Compliance with Certain Provisions of the Code" issued by CSOP Asset Management Limited (the "Manager"), the manager of the Trust and the Terminating Products, on 3 April 2018 (the "April Announcement"). Unless otherwise defined herein, terms and expressions used in this Announcement and Notice have the same meanings as given to them in the April Announcement.

Waiver from 11.6 of the Code

According to 11.6 of the Code, interim report containing the information required under Appendix E to the Code must be published and distributed to investors within two months of the end of the period the interim report covers (which ends on 30 June in each year). 11.6 of the Code also provides that, as an alternative to the distribution of printed financial reports, investors may be notified of where such reports, in printed and electronic forms, can be obtained within the relevant time frame.

The Manager envisages that following the payment of the Final Distribution, the accounts of the Terminating Products should be relatively simple and straightforward. As such, with a view to minimising the operational costs during the period of cessation of trading from the Trading Cessation Date (expected to be 4 July 2018), the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the above-mentioned requirements under 11.6 of the Code such that, to the extent if the Termination Date falls within two months of the end of the interim report covering the period from 1 January 2018 to 30 June 2018 (the “**Relevant Period**”), the interim report of the period commencing from 1 January 2018 to 30 June 2018 will be combined with the termination audit of the Terminating Products covering the period from 1 January 2018 to the Termination Date (the “Termination Audit Period”) in respect of each Terminating Product. This waiver shall be subject to the following conditions:

- (a) the contents of the interim report for the Termination Audit Period (the “Termination Audit Report”) shall comply with the requirements under Appendix E to the Code, and all other applicable provisions of the Code, other applicable laws and regulations;
- (b) if the Termination Date falls within two months of the end of the Relevant Period and the waiver becomes applicable, the Manager shall notify investors by way of an announcement on its website and the SEHK’s website as soon as practicable before the interim report for the period from 1 January 2018 to 30 June 2018 is due (the “Original Due Date”). Such announcement shall notify investors of, among other things: (i) when the Termination Audit Report will be published; (ii) the start and end dates of the Termination Audit Period; and (iii) where the Termination Audit Report, in printed and electronic forms, can be obtained; and
- (c) the Termination Audit Report shall be published on the Manager’s website and the SEHK’s website as soon as practicable and in any event no later than three months after the Termination Date (i.e. not more than 11 months from 1 January 2018).

The Manager confirms that, apart from the particular provisions of the Code set out in this Announcement and in the April Announcement above, the Manager will continue to comply with all the other applicable provisions of the Code, the applicable provisions in the Trust Deed and other applicable laws and regulations.

Termination Audit Report

As the Termination Date is expected to be as soon as possible after 6 August 2018, which falls within two months of the end of the Relevant Period (being the period beginning 1 January 2018 to 30 June 2018), the Manager hereby announces that the interim report of the period ended 30 June 2018 will be combined with the termination audit of the Terminating Products covering the Termination Audit Period, being the period from 1 January 2018 to the Termination Date (expected to be as soon as possible after 6 August 2018) in respect of each Terminating Product.

The Termination Audit Report will be published on the Manager's website and the SEHK's website as soon as practicable and in any event no later than three months of the Termination Date (i.e. expected to be no later than 6 November 2018) in respect of each Terminating Product. Hard copies may also be obtained from the Manager free of charge.

If there are any changes to the dates and arrangements mentioned herein, the Manager will issue an announcement for the revised dates and arrangements.

Enquiries

If you have any queries in relation to the contents of this Announcement and Notice, please direct them to your stockbrokers or financial intermediaries or contact the Manager by calling (852) 3406 5688 during office hours (except Hong Kong statutory holidays), or visiting the Manager in person at 2801-2803, Two Exchange Square, 8 Connaught Place, Central, Hong Kong or visiting the Manager's website: <http://www.csopasset.com>¹.

CSOP Asset Management Ltd

as Manager of the Trust and the Terminating Products
Hong Kong

29 June 2018

¹ The contents of the website have not been reviewed by the SFC.