

The Stock Exchange of Hong Kong Limited (the “SEHK”), Hong Kong Securities Clearing Company Limited, Hong Kong Exchanges and Clearing Limited (“HKEx”) and the Securities and Futures Commission (the “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 an endorsement of ChinaAMC Leveraged / Inverse Series (the “Trust”) nor ChinaAMC Direxion Hang Seng China Enterprises Index Daily (2x) Leveraged Product nor ChinaAMC Direxion Hang Seng China Enterprises Index Daily (-1x) Inverse Product (each a “Product”, collectively the “Products”) nor does it guarantee the commercial merits of the Trust or the Products or their performance. It does not mean the Trust and the Products are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

Further to the Announcement and Notice dated 31 July 2020 and titled “Announcement and Notice of the Proposed Cessation of Trading, Termination, Voluntary Deauthorisation and Delisting and Non-Applicability of Certain Provisions of the Code on Unit Trusts and Mutual Funds” (i.e. the First Announcement), this Announcement is to inform Relevant Investors of the Distribution and Distribution per Unit of each of the Products as follows:

<b>Product</b>	<b>Distribution</b>	<b>Distribution per Unit</b>
ChinaAMC Direxion Hang Seng China Enterprises Index Daily (2x) Leveraged Product	HKD 28,440,000	HKD 7.11
ChinaAMC Direxion Hang Seng China Enterprises Index Daily (-1x) Inverse Product	HKD 14,450,000	HKD 5.78

The Distributions for the Products will be credited to the CCASS accounts of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors held Units on 7 September 2020 (i.e. the Distribution Record Date). It is expected that the Relevant Investors will receive the Distributions on or around 27 October 2020, but the exact timing may vary between different stockbrokers and financial intermediaries. Each Relevant Investor should therefore contact their stockbrokers or financial intermediaries in relation to the payment of the Distribution from them.

**IMPORTANT NOTES: Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement to their clients holding Units in the Products, and inform them of the contents of this Announcement as soon as possible. Relevant Investors should contact their stockbrokers and financial intermediaries in relation to the payment of the Distributions from them. Investors should exercise caution and consult with their professional and financial advisers before dealing in the Units or otherwise deciding on the course of actions to be taken in relation to their Units.**

## ChinaAMC Leveraged/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)

### ChinaAMC Direxion Hang Seng China Enterprises Index Daily (2x) Leveraged Product

Stock Code: 7267

### ChinaAMC Direxion Hang Seng China Enterprises Index Daily (-1x) Inverse Product

Stock Code: 7341

(each a “Product”, collectively the “Products”)

## DISTRIBUTION ANNOUNCEMENT

Reference is made to the Announcement and Notice dated 31 July 2020 titled “Announcement and Notice of the Proposed Cessation of Trading, Termination, Voluntary Deauthorisation and Delisting and Non-Applicability of Certain Provisions of the Code on Unit Trusts and Mutual Funds” (the “**First Announcement**”) issued by China Asset Management (Hong Kong) Limited (the “**Manager**”), the manager of the Trust and the Products.

Capitalised terms not defined in this Announcement shall have the same meanings as defined in the First Announcement.

The purpose of this Announcement is to inform the Relevant Investors of the Distributions. Relevant Investors, as defined in the First Announcement, mean those investors who remain invested in the Products as at 7 September 2020, being the Distribution Record Date.

### 1. Distribution amount

As disclosed in the First Announcement, the Manager will, after having consulted the Trustee and the Auditors, declare a distribution in Hong Kong Dollars for the Products in respect of the Relevant Investors (i.e. those investors remain so as at the Distribution Record Date).

On the above basis the Manager, after having consulted the Trustee and the Auditors, has resolved to approve that Distribution of the following amount shall be paid in cash by each of the Products to the Relevant Investors of the respective Products:

Product	Distribution	Distribution per Unit
ChinaAMC Direxion Hang Seng China Enterprises Index Daily (2x) Leveraged Product	HKD 28,440,000	HKD 7.11
ChinaAMC Direxion Hang Seng China Enterprises Index Daily (-1x) Inverse Product	HKD 14,450,000	HKD 5.78

The Distribution per Unit for each of the Products was determined on the basis of the Net Asset Value per Unit of the respective Products as at 22 October 2020 and rounded to 2 decimal places. Each Relevant Investor will be entitled to a Distribution of an amount equal to the respective Product’s then Net Asset Value in proportion to the Relevant Investor’s interests in the Product as at the Distribution Record Date. Each Product’s then Net Asset Value will be the total value of the net

proceeds from the realisation of the assets of the relevant Product (which exclude (i) the Provisions; (ii) any taxes payable; and (iii) any expenses payable.

## **2. Distribution payment**

The Distributions for the Products will be credited to the CCASS accounts of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors held the Units on 7 September 2020 (i.e. the Distribution Record Date). It is expected that the Relevant Investors will receive the Distributions on or around 27 October 2020, but the exact timing may vary between different stockbrokers and financial intermediaries. Each Relevant Investor should contact their stockbrokers or financial intermediaries in relation to the payment arrangements, including payment procedures and settlement date, of the Distribution from them.

The Manager does not expect or anticipate there will be a further distribution after the Distribution. However, in the unlikely event there is a further distribution after the Distribution, the Manager will issue an announcement informing the Relevant Investors.

No Hong Kong profits tax is expected to be payable by investors in Hong Kong in respect of the Distribution to the extent of distribution of profits and/or capital of the Products. For investors carrying on a trade, profession or business in Hong Kong, profits derived in redemption or disposal of Units in the Products may be subject to Hong Kong profits tax if the profits in question arise in or are derived from such trade, profession or business, sourced in Hong Kong, as well as the Units of the Products are revenue assets of the investors.

Investors should consult their professional tax advisers as to their particular tax position.

**IMPORTANT NOTES: Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement to their clients holding Units in the Products, and inform them of the contents of this Announcement as soon as possible. Relevant Investors should contact their stockbrokers and financial intermediaries in relation to the payment arrangements, including payment procedures and settlement date, of the Distribution from them.**

**Investors are strongly advised to read and consider the First Announcement together with the Prospectus, for further details in relation to the Products, the termination, Deauthorisation and Delisting and the applicable risk factors and their implications to investors.**

## **3. Net Asset Value of the Products**

Each of the Manager and the Trustee confirms that, the Net Asset Value and Net Asset Value per Unit of the Products as at 22 October 2020 were as follows:

<b>Product</b>	<b>Net Asset Value</b>	<b>Net Asset Value per Unit</b>
ChinaAMC Direxion Hang Seng China Enterprises Index Daily (2x) Leveraged Product	HKD 28,437,826	HKD 7.1095
ChinaAMC Direxion Hang Seng China Enterprises Index Daily (-1x) Inverse Product	HKD 14,456,235	HKD 5.7825

A simple breakdown of the Net Asset Value of ChinaAMC Direxion Hang Seng China Enterprises Index Daily (2x) Leveraged Product is as follows:

**As at 22 October 2020  
(HKD)**

<b>Assets</b>	
Cash and cash equivalents	28,740,355
Total assets	28,740,355
<b>Liabilities</b>	
Accrued expenses and other payables	302,529
Total liabilities	302,529
<b>Net Asset Value</b>	28,437,826
<b>Number of Units in issue</b>	4,000,000
<b>Net Asset Value per Unit</b>	7.1095
<b>Distribution per Unit (rounded to 2 decimal places)</b>	7.11

A simple breakdown of the Net Asset Value of ChinaAMC Direxion Hang Seng China Enterprises Index Daily (-1x) Inverse Product is as follows:

	<b>As at 22 October 2020</b>
	<b>(HKD)</b>
<b>Assets</b>	
Cash and cash equivalents	14,758,880
Total assets	14,758,880
<b>Liabilities</b>	
Accrued expenses and other payables	302,645
Total liabilities	302,645
<b>Net Asset Value</b>	14,456,235
<b>Number of Units in issue</b>	2,500,000
<b>Net Asset Value per Unit</b>	5.7825
<b>Distribution per Unit (rounded to 2 decimal places)</b>	5.78

#### **4. Provisions set aside and actual amount of Future Costs**

As mentioned in the First Announcement, subject to the Provisions (as defined in the First Announcement), the Manager will bear all Future Costs associated with the ongoing maintenance, termination, deauthorisation and delisting of the Products (other than transaction costs and any taxes relating to the realisation of assets of the Products). As defined in the First Announcement, the Future Costs may include but not limited to any legal costs, auditors' fees, regulatory maintenance costs, termination related expenses and the fees payable to any other service provider of the Products that the Trustee and the Manager may incur or make, during the period between the date of the First Announcement up to and including the Termination Date.

Where a Provision is insufficient to cover Future Costs until the Termination Date, any shortfall will be borne by the Manager. Conversely, where the Provision is in excess of the actual amount of Future Costs until the Termination Date, such excess will be refunded to the Relevant Investors as part of a further distribution in proportion to the Relevant Investor's interests in the Products as at the Distribution Record Date.

The following table shows the Provision set aside, actual amount of Future Costs and whether the Provision is in excess or falls short of the actual amount of Future Costs as at 22 October 2020 for each of the Products:

<b>Product</b>	<b>Amount of Provision set aside</b>	<b>Actual amount of Future Costs</b>	<b>Shortfall</b>
ChinaAMC Direxion Hang Seng China Enterprises Index Daily (2x) Leveraged Product	HK\$ 189,913.47	HK\$ 302,529	HK\$ 112,615.53
ChinaAMC Direxion Hang Seng China Enterprises Index Daily (-1x) Inverse Product	HK\$ 189,913.47	HK\$ 302,645	HK\$ 112,731.53

As the Provision of each Product is insufficient to cover the actual amount of Future Costs, the shortfall has been borne by the Manager. In the unlikely event that there are additional Future Costs incurred by each Product, the Manager will continue to bear the shortfall.

Investors should exercise caution and consult with their professional and financial advisers before dealing in the Units or otherwise deciding on the course of actions to be taken in relation to their Units.

Investors who are in doubt about the contents of this Announcement should contact their independent financial intermediaries or professional advisers to seek their professional advice, or direct their queries to the Manager at (852) 3406 8686 during office hours (except Hong Kong statutory holidays), or visiting the Manager in person at 37th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong, or visiting the Manager's website: [www.chinaamc.com.hk](http://www.chinaamc.com.hk)<sup>1</sup>.

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.

**China Asset Management (Hong Kong) Limited**  
as Manager of the Trust and the Products

23 October 2020

<sup>1</sup> The website has not been reviewed by the SFC.