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Samsung HSCEI Daily (2x) Leveraged Product

Stock Code: 07228

Samsung HSCEI Daily (-1x) Inverse Product

Stock Code: 07328

(collectively the “**Products**”)

*(sub-funds of Samsung Leveraged and Inverse Investment Product Series (the “**Trust**”), a Hong Kong umbrella unit trust, authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

Announcement

Changes to the Hang Seng China Enterprises Index

Unless otherwise stated, capitalised terms used in this Announcement shall have the same meaning ascribed to them in the prospectus of the Products dated 29 September 2017 (the “**Prospectus**”).

As disclosed in the Prospectus of the Products, Samsung HSCEI Daily (2x) Leveraged Product tracks two times the performance of the Hang Seng China Enterprises Index (the “**Index**”) on a daily basis, whereas Samsung HSCEI Daily (-1x) Inverse Product tracks the inverse performance of the Index on a daily basis.

Samsung Asset Management (Hong Kong) Limited, the Manager of the Products (the “**Manager**”), understand from Hang Seng Indexes Company Limited (“**HSIL**”), the index provider of the Index, that the changes as described in Section A below (collectively the “**Index Changes**”) will be made to the Index with effect from 5 March 2018 (the “**Effective Date**”).

A. Index Changes

According to HSIL, Red-chips and private enterprises (“**P-chips**”) will become eligible to be added to the Index as index constituents and 10 Red-chips and P-chips in total will be added to the Index as at the Effective Date, while the number of H-shares constituents in the Index will remain at 40. As a result, the total number of constituents of the Index will be increased from 40 to 50.

These additional 10 Red-chips and P-chips constituents have been selected in the Index review at the end of December 2017, the results of which were announced on 6 February 2018. These 10 Red-chips and P-chips constituents will be added to the Index in five phases over a period of 12 months and by adopting an inclusion factor and an adjusted cap level in each phase, as further illustrated in the following table. It is intended that these 10 Red-chips and P-chips will remain unchanged during the whole transition period. In view of this, the impact to the Index is expected to be minimal.

Phase	Month	Inclusion Factor	Adjusted Cap Level
1	March 2018	0.2	2%
2	June 2018	0.4	4%
3	September 2018	0.6	6%
4	December 2018	0.8	8%
5	March 2019	1.0	10%

B. Changes to the Products

In seeking to achieve the Products' respective investment objective, the Manager adopts a futures-based replication investment strategy through investing directly in the spot month Futures Contracts on the Index ("**HSCEI Futures Contracts**"), subject to the rolling strategy described in the Prospectus, to obtain the required exposure to the Index.

As a result of the Index Changes, with effect from the Effective Date, the HSCEI Futures Contracts invested by the Products will have an exposure to the performance of Red-chips and P-chips, in addition to the performance of H-shares.

C. Impact to the Products

For the avoidance of doubt, other than the Index Changes as mentioned above, (i) the investment objective and policies of the Products will remain unchanged; (ii) the Index Changes will not amount to material changes to the Products; (iii) the Index Changes will not affect the acceptability of the Index under the SFC's Code on Unit Trusts and Mutual Funds; (iv) the Products' normal operation will not be disrupted; (v) there will be no material change or increase in the overall risk profile of the Products; and (vi) the Index Changes do not materially prejudice the interests of Unitholders.

D. Prospectus and the Product Key Facts Statements

The Prospectus (including the product key facts statements) of the Products will be updated on or after the Effective Date to reflect the changes described above.

The revised Prospectus (including updated product key facts statements of the Products) will be published on the Manager's website at www.samsungetf.com.hk (this website has not been reviewed by the SFC) and HKEx's website at www.hkex.com.hk.

Investors who have any enquiries regarding the above may contact the Manager at 4513-14, Two International Finance Centre, 8 Finance Street, Central, Hong Kong or on +852 2115 8721 during office hours.

Samsung Asset Management (Hong Kong) Limited
三星資產運用（香港）有限公司
as Manager of the Products

5 March 2018