

CSOP LEVERAGED AND INVERSE SERIES II

REPORTS AND FINANCIAL STATEMENTS

CSOP NASDAQ-100 INDEX DAILY (2X) LEVERAGED PRODUCT
(Stock Code: 7266)

CSOP GOLD FUTURES DAILY (2X) LEVERAGED PRODUCT
(Stock Code: 7299)

CSOP CSI 300 INDEX DAILY (2X) LEVERAGED PRODUCT
(Stock Code: 7233)

FOR THE YEAR ENDED 31 DECEMBER 2024

(SUB-FUNDS OF CSOP LEVERAGED AND INVERSE SERIES II)

CSOP LEVERAGED AND INVERSE SERIES II

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CSOP LEVERAGED AND INVERSE SERIES II

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, CSOP Asset Management Limited, the Manager of CSOP Leveraged and Inverse Series II (the “Trust”), has, in all material respects, managed the Trust in accordance with the provisions of the Trust Deed dated 24 April 2020 as amended by the supplemental deeds on 24 April 2020, 19 May 2020, 10 July 2020, 23 December 2020, 20 September 2021, 15 October 2021 and 21 September 2022 (collectively, the “Trust Deed”).

- CSOP NASDAQ-100 Index Daily (2x) Leveraged Product
- CSOP Gold Futures Daily (2x) Leveraged Product
- CSOP CSI 300 Index Daily (2x) Leveraged Product

For the year ended 31 December 2024

Cititrust Limited (the “Trustee”)

16 April 2025

Independent auditor's report

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product (collectively the "Sub-Funds") of CSOP Leveraged and Inverse Series II (the "Trust")

(An umbrella unit trust established under the laws of Hong Kong)

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product for the 31 December 2024 (collectively, the "Sub-Funds") set out on pages 10 to 72, which comprise the statement of net assets as at 31 December 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Funds as at 31 December 2024, and of its financial transactions and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Sub-Funds in accordance with the *Code of Ethics for Professional Accountants* (the "Code") as issued by the Hong Kong Institute of Certified Public Accountants, as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product (collectively the "Sub-Funds") of CSOP Leveraged and Inverse Series II (the "Trust")

(An umbrella unit trust established under the laws of Hong Kong)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product

Key audit matter	How our audit addressed the key audit matter
<i>Existence and valuation of financial assets and financial liabilities at fair value through profit or loss</i>	
<p>As at 31 December 2024, the financial assets and financial liabilities at fair value through profit or loss were valued at US\$1,801,422 and US\$1,421,734 respectively, which represented 13.81% and 10.90% of the net asset value of the Sub-Fund. The financial assets comprised money market funds traded on the Hong Kong Stock Exchange and money market funds traded over-the-counter. The financial liabilities comprised the futures contracts traded on Chicago Mercantile Exchange.</p> <p>We focused on this area because the financial assets and financial liabilities at fair value through profit or loss were significant to the trading strategy and performance of the Sub-Fund.</p> <p>Disclosures in respect of the financial assets and financial liabilities at fair value through profit or loss are set out in the summary of material accounting policies and notes 11, 13(b)(i) and 13(e) to the financial statements.</p>	<p>The procedures we performed to address the key audit matter included:</p> <ul style="list-style-type: none">• Obtained independent confirmations from the brokers and custodians of the investment portfolio held on 31 December 2024 and agreed the quantities held to the Sub-Fund's accounting records.• Tested the design and operating effectiveness of financial instrument valuation controls.• Tested the valuation of the financial assets and financial liabilities at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets and financial liabilities to third-party sources on 31 December 2024.• Evaluated the adequacy of disclosures relating to financial assets and financial liabilities at fair value through profit or loss in the financial statements.

Independent auditor's report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product (collectively the "Sub-Funds") of CSOP Leveraged and Inverse Series II (the "Trust")

(An umbrella unit trust established under the laws of Hong Kong)

Key audit matters (continued)

CSOP Gold Futures Daily (2x) Leveraged Product

Key audit matter	How our audit addressed the key audit matter
<i>Existence and valuation of financial assets and financial liabilities at fair value through profit or loss</i>	
<p>As at 31 December 2024, the financial assets and financial liabilities at fair value through profit or loss were valued at US\$16,592,941 and US\$567,340 respectively, which represented 15.22% and 0.52% of the net asset value of the Sub-Fund. The financial assets comprised money market funds traded on the Hong Kong Stock Exchange, futures swap traded over-the-counter. The financial liabilities comprised the future contracts traded on New York Commodity Exchange.</p> <p>We focused on this area because the financial assets and financial liabilities at fair value through profit or loss were significant to the trading strategy and performance of the Sub-Fund.</p> <p>Disclosures in respect of the financial assets and financial liabilities at fair value through profit or loss are set out in the summary of material accounting policies and notes 11, 13(b)(i) and 13(e) to the financial statements.</p>	<p>The procedures we performed to address the key audit matter included:</p> <ul style="list-style-type: none">• Obtained independent confirmations from the brokers and custodians of the investment portfolio held on 31 December 2024 and agreed the quantities held to the Sub-Fund's accounting records.• Tested the design and operating effectiveness of financial instrument valuation controls.• Tested the valuation of the financial assets and financial liabilities at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets and financial liabilities to third-party sources on 31 December 2024.• For the future swap contracts traded over-the-counter, we evaluated the valuation techniques applied and validated observable inputs to external market data, and reperformed the valuation based on the observable inputs.• Evaluated the adequacy of disclosures relating to financial assets and financial liabilities at fair value through profit or loss in the financial statements.

Independent auditor's report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product (collectively the "Sub-Funds") of CSOP Leveraged and Inverse Series II (the "Trust")

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Key audit matters (continued)

CSOP CSI 300 Index Daily (2x) Leveraged Product

Key audit matter	How our audit addressed the key audit matter
<i>Existence and valuation of financial assets and financial liabilities at fair value through profit or loss</i>	
<p>As at 31 December 2024, the financial assets and financial liabilities at fair value through profit or loss were valued at RMB162,582,857 and RMB21,253,475 respectively, which represented 25.02% and 3.27% of the net asset value of the Sub-Fund. The financial assets comprised money market funds traded on the Hong Kong Stock Exchange, forward contracts traded over-the-counter and total return swaps traded over-the-counter. The financial liabilities comprised total return swaps traded over-the-counter.</p> <p>We focused on this area because the financial assets and financial liabilities at fair value through profit or loss were significant to the trading strategy and performance of the Sub-Fund.</p> <p>Disclosures in respect of the financial assets and financial liabilities at fair value through profit or loss are set out in the summary of material accounting policies and notes 11, 13(b)(i) and 13(e) to the financial statements.</p>	<p>The procedures we performed to address the key audit matter included:</p> <ul style="list-style-type: none">• Obtained independent confirmations from the brokers and custodians of the investment portfolio held on 31 December 2024 and agreed the quantities held to the Sub-Fund's accounting records.• Tested the design and operating effectiveness of financial instrument valuation controls.• Tested the valuation of the financial assets and financial liabilities at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets and financial liabilities to third-party sources on 31 December 2024.• For the total return swaps and forward contracts traded over-the-counter, we evaluated the valuation techniques applied and validated observable inputs to external market data, and reperformed the valuation based on the observable inputs.• Evaluated the adequacy of disclosures relating to financial assets and financial liabilities at fair value through profit or loss in the financial statements.

Independent auditor's report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product (collectively the "Sub-Funds") of CSOP Leveraged and Inverse Series II (the "Trust")

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Information other than the financial statements and auditor's report thereon

The Manager and the Trustee of the Sub-Funds are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and the Trustee for the Financial Statements

The Manager and the Trustee of the Sub-Funds are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and the Trustee of the Sub-Funds are responsible for assessing the Sub-Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and the Trustee of the Sub-Funds either intend to liquidate the Sub-Funds or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Trustee of the Sub-Funds are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 24 April 2020 as amended by the supplemental deeds dated 24 April 2020, 19 May 2020, 10 July 2020, 23 December 2020, 20 September 2021, 15 October 2021 and 21 September 2022 (collectively, the "Trust Deed") and Appendix E of the *Code on Unit Trusts and Mutual Funds* (the "SFC Code") as issued by the Securities and Futures Commission of Hong Kong.

Independent auditor's report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product (collectively the "Sub-Funds") of CSOP Leveraged and Inverse Series II (the "Trust")

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.
- Conclude on the appropriateness of the Manager and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.

Independent auditor's report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product (collectively the "Sub-Funds") of CSOP Leveraged and Inverse Series II (the "Trust")

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Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager and the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager and the Trustee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Manager and the Trustee, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product (collectively the "Sub-Funds") of CSOP Leveraged and Inverse Series II (the "Trust")

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Report on matters under the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Christine Lin.

Certified Public Accountants

Hong Kong

16 April 2025

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF NET ASSETS

As at 31 December 2024

		CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product	
	Notes	2024 US\$	2023 US\$	2024 US\$	2023 US\$	2024 RMB	2023 RMB
ASSETS							
Financial assets at fair value through profit or loss	11	1,801,422	2,698,119	16,592,941	36,677,617	162,582,857	31,368,419
Interest receivable		–	130	–	4,156	–	–
Other receivables	5(i)	4,702	1,516	49,147	28,919	152,969	36,285
Amounts due from brokers	6	–	–	5,804	–	–	–
Amounts due from participating dealers		–	–	–	–	2,200	–
Margin accounts	6	4,422,264	2,721,905	28,980,813	36,019,808	236,527,774	92,448,794
Cash and cash equivalents	7	8,323,041	9,979,693	64,532,143	95,080,366	292,016,295	92,414,423
TOTAL ASSETS		<u>14,551,429</u>	<u>15,401,363</u>	<u>110,160,848</u>	<u>167,810,866</u>	<u>691,282,095</u>	<u>216,267,921</u>
LIABILITIES							
Financial liabilities at fair value through profit or loss	11	1,421,734	–	567,340	18,750	21,253,475	–
Interest payable from swap contracts		–	–	–	–	162,912	142,937
Amounts due to participating dealers		–	–	–	–	8,840,282	–
Amounts due to brokers	6	–	–	–	–	295,066	–
Management fee payable	5(a)	61,635	56,495	509,762	641,260	3,037,787	926,614
Other payables and accruals		26,912	17,780	85,859	75,075	517,900	364,046
Cash collateral liabilities	5(k)	–	–	–	2,390,000	7,372,048	8,679,855
TOTAL LIABILITIES		<u>1,510,281</u>	<u>74,275</u>	<u>1,162,961</u>	<u>3,125,085</u>	<u>41,479,470</u>	<u>10,113,452</u>
EQUITY							
Net assets attributable to unitholders	3(a)	<u>13,041,148</u>	<u>15,327,088</u>	<u>108,997,887</u>	<u>164,685,781</u>	<u>649,802,625</u>	<u>206,154,469</u>
TOTAL LIABILITIES AND EQUITY		<u>14,551,429</u>	<u>15,401,363</u>	<u>110,160,848</u>	<u>167,810,866</u>	<u>691,282,095</u>	<u>216,267,921</u>

For and on behalf of

CSOP Asset Management Limited
as the Manager

The accompanying notes are an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product	
		Year ended 31 December	Year ended 31 December	Year ended 31 December	Year ended 31 December	Year ended 31 December	Year ended 31 December
	Notes	2024	2023	2024	2023	2024	2023
		US\$	US\$	US\$	US\$	RMB	RMB
INCOME							
Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss*	4	3,645,923	9,849,923	49,267,423	27,836,402	(54,985,393)	(85,233,414)
Interest income from bank deposits		162,363	150,794	1,182,031	1,528,094	300,101	185,665
Interest income from margin accounts	5(d)	—	—	39,617	53,955	180,752	137,426
Net foreign exchange gains		—	—	—	—	7,488,192	3,257,921
Rebate income	5(i)	6,152	5,832	75,007	119,845	210,840	141,132
Other income	5(j)	1,330	—	—	—	—	—
		<u>3,815,768</u>	<u>10,006,549</u>	<u>50,564,078</u>	<u>29,538,296</u>	<u>(46,805,508)</u>	<u>(81,511,270)</u>
EXPENSES							
Management fee	5(a)	(166,127)	(177,971)	(1,859,017)	(2,706,009)	(5,191,792)	(3,458,901)
Collateral management fee	5(k)	—	—	(6,558)	(5,917)	(118,100)	(98,937)
Audit fee	15	(8,546)	(8,532)	(51,910)	(51,776)	(97,898)	(102,782)
Bank charges	5(c)	(747)	(822)	(1,029)	(877)	(24,105)	(23,770)
Index licensing fee		(11,378)	(15,002)	(10,779)	(10,481)	(148,387)	(100,009)
Brokerage and transaction fee*	14	(2,114)	(2,746)	(444,817)	(444,147)	(5,421,093)	(624,060)
Interest on margin accounts	5(d)	—	—	(116,695)	(76,216)	(37,621)	(31,222)
Legal and other professional fee		—	—	(583)	(2,315)	(4,198)	(30,491)
Other operating expenses		(29,429)	(40,811)	(36,620)	(53,259)	(235,960)	(376,568)
TOTAL OPERATING EXPENSES		<u>(218,341)</u>	<u>(245,884)</u>	<u>(2,528,008)</u>	<u>(3,350,997)</u>	<u>(11,279,154)</u>	<u>(4,846,740)</u>
OPERATING PROFIT/(LOSS)		<u>3,597,427</u>	<u>9,760,665</u>	<u>48,036,070</u>	<u>26,187,299</u>	<u>(58,084,662)</u>	<u>(86,358,010)</u>
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>3,597,427</u>	<u>9,760,665</u>	<u>48,036,070</u>	<u>26,187,299</u>	<u>(58,084,662)</u>	<u>(86,358,010)</u>

*During the year ended 31 December 2024 and 2023, Swap Fees are included in the Brokerage and transaction fee and Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss.

The accompanying notes are an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2024

	Notes	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product	
		Year ended 31 December	Year ended 31 December	Year ended 31 December	Year ended 31 December	Year ended 31 December	Year ended 31 December
		2024 US\$	2023 US\$	2024 US\$	2023 US\$	2024 RMB	2023 RMB
Net assets attributable to unitholders at the beginning of the year		15,327,088	9,163,704	164,685,781	193,609,090	206,154,469	202,487,476
Issue of units		9,512,479	5,459,217	11,972,434	12,808,031	792,387,998	104,391,113
Redemption of units		(15,395,846)	(9,056,498)	(115,696,398)	(67,918,639)	(290,655,180)	(14,366,110)
Net issue of units		(5,883,367)	(3,597,281)	(103,723,964)	(55,110,608)	501,732,818	90,025,003
Profit/(Loss) and total comprehensive income for the year		3,597,427	9,760,665	48,036,070	26,187,299	(58,084,662)	(86,358,010)
Net assets attributable to unitholders at the end of the year		<u>13,041,148</u>	<u>15,327,088</u>	<u>108,997,887</u>	<u>164,685,781</u>	<u>649,802,625</u>	<u>206,154,469</u>
Number of units in issue at the beginning of the year		6,420,000	8,020,000	159,400,000	212,200,000	67,600,000	45,200,000
Issue of units	3(b)	3,200,000	4,000,000	8,800,000	14,400,000	196,800,000	27,200,000
Redemption of units	3(b)	(5,600,000)	(5,600,000)	(93,600,000)	(67,200,000)	(82,400,000)	(4,800,000)
Number of units in issue at the end of the year		<u>4,020,000</u>	<u>6,420,000</u>	<u>74,600,000</u>	<u>159,400,000</u>	<u>182,000,000</u>	<u>67,600,000</u>

The accompanying notes are an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

		CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	
	Notes	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		3,597,427	9,760,665
Adjustments for:			
Interest income from bank deposits		(162,363)	(150,794)
Operating cash flows before movements in working capital		3,435,064	9,609,871
Decrease/(increase) in financial assets at fair value through profit or loss		896,697	(1,075,240)
(Increase)/decrease in other receivables		(3,186)	1,065
(Increase)/decrease in margin accounts		(1,700,359)	1,021,719
Increase/(decrease) in financial liabilities at fair value through profit or loss		1,421,734	(1,143,284)
Increase in management fee payable		5,140	35,449
Increase/(decrease) in other payables and accruals		9,132	(13,290)
Cash generated from operations		4,064,222	8,436,290
Interest on bank deposits received		162,493	150,664
Net cash flows generated from operating activities		4,226,715	8,586,954
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units		9,512,479	5,459,217
Payments on redemption on units		(15,395,846)	(9,056,498)
Net cash flows used in financing activities		(5,883,367)	(3,597,281)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(1,656,652)	4,989,673
Cash and cash equivalents at the beginning of the year		9,979,693	4,990,020
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		8,323,041	9,979,693
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Term deposits with original maturity less than three months	7	—	275,050
Bank balances	7	8,323,041	9,704,643
Cash and cash equivalents as stated in the statement of cash flows		8,323,041	9,979,693

The accompanying notes are an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2024

CSOP Gold Futures Daily (2x)			
Leveraged Product			
	Notes	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		48,036,070	26,187,299
Adjustments for:			
Interest expenses on margin accounts		116,695	76,216
Interest income from bank deposits		(1,182,031)	(1,528,094)
Interest income from margin accounts		(39,617)	(53,955)
Operating cash flows before movements in working capital		46,931,117	24,681,466
Decrease in financial assets at fair value through profit or loss		20,084,676	20,072,594
(Increase)/decrease in other receivables		(20,228)	7,849
Decrease in margin accounts		7,038,995	1,210,310
Increase in amounts due from brokers		(5,804)	–
Increase in financial liabilities at fair value through profit or loss		548,590	18,750
Decrease in management fee payable		(131,498)	(133,200)
(Decrease)/increase in cash collateral liabilities		(2,390,000)	870,000
Increase/(decrease) in other payables and accruals		10,784	(14,210)
Cash generated from operations		72,066,632	46,713,559
Interest received on bank deposits		1,186,187	1,527,796
Interest paid on margin accounts		(77,078)	(22,261)
Net cash flows generated from operating activities		73,175,741	48,219,094
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units		11,972,434	12,808,031
Payments on redemption of units		(115,696,398)	(67,918,639)
Net cash used in financing activities		(103,723,964)	(55,110,608)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(30,548,223)	(6,891,514)
Cash and cash equivalents at the beginning of the year		95,080,366	101,971,880
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		64,532,143	95,080,366
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Term deposits with original maturity less than three months	7	–	8,800,000
Bank balances	7	64,532,143	86,280,366
Cash and cash equivalents as stated in the statement of cash flows		64,532,143	95,080,366

The accompanying notes are an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2024

CSOP CSI 300 Index Daily (2x)			
Leveraged Product			
	Notes	Year ended 31 December 2024 RMB	Year ended 31 December 2023 RMB
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		(58,084,662)	(86,358,010)
Adjustments for:			
Interest expenses on margin accounts		37,621	31,222
Interest income from bank deposits		(300,101)	(185,665)
Interest income from margin accounts		(180,752)	(137,426)
Operating cash flows before movements in working capital		(58,527,894)	(86,649,879)
(Increase)/decrease in financial assets at fair value through profit or loss		(131,214,438)	1,373,612
(Increase)/decrease in other receivables		(116,684)	7,887
(Increase)/decrease in margin accounts		(144,078,980)	222,268
Increase/(decrease) in financial liabilities at fair value through profit or loss		21,253,475	(2,235,587)
Increase/(decrease) in interest payable from swap contracts		19,975	(637,653)
Increase in management fee payable		2,111,173	39,571
Increase in amounts due to a brokers		295,066	–
(Decrease)/increase in cash collateral liabilities		(1,307,807)	8,679,855
Increase/(decrease) in other payables and accruals		153,854	(180,170)
Cash used in operations		(311,412,260)	(79,380,096)
Interest received on bank deposits		300,101	185,665
Interest received on margin accounts		143,131	106,204
Net cash flows used in operating activities		(310,969,028)	(79,088,227)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units		792,385,798	104,391,113
Payments on redemption of units		(281,814,898)	(14,366,110)
Net cash flows generated from financing activities		510,570,900	90,025,003
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year		92,414,423	81,477,647
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		292,016,295	92,414,423
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances	7	292,016,295	92,414,423
Cash and cash equivalents as stated in the statement of cash flows		292,016,295	92,414,423

The accompanying notes are an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

1. GENERAL INFORMATION

CSOP Leveraged and Inverse Series II (the “Trust”) is an umbrella unit trust governed by its trust deed dated 24 April 2020, as amended by the supplemental deeds on 24 April 2020, 19 May 2020, 10 July 2020, 23 December 2020, 20 September 2021, 15 October 2021 and 21 September 2022 (collectively, the “Trust Deed”) between CSOP Asset Management Limited (the “Manager”) and Cititrust Limited (the “Trustee”). It is authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to Section 104(1) of the Securities and Futures Ordinance of Hong Kong (the “SFO”).

As of 31 December 2024, the Trust has three sub-funds, each a separate sub-fund of the Trust, which are authorised by the SFC pursuant to section 104(1) of the SFO. The three sub-funds, including CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, and CSOP CSI 300 Index Daily (2x) Leveraged Product are referred to individually or collectively as the “Sub-Fund(s)”. The Sub-Funds are listed on the Stock Exchange of Hong Kong Limited (the “SEHK”) with details below:

<u>Name of Sub-Funds</u>	<u>Listing date on the SEHK</u>
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	15 May 2020
CSOP Gold Futures Daily (2x) Leveraged Product	5 June 2020
CSOP CSI 300 Index Daily (2x) Leveraged Product	27 July 2020

The Manager is responsible for the preparation of the financial statements.

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product

The investment objective of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product (stock code: 7266) is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the NASDAQ-100 Index (the “Index”). To achieve the investment objective of the Sub-Fund, the Manager will adopt a futures-based replication strategy through investing directly in the nearest quarter E-Mini NASDAQ 100 Futures (“E-mini NASDAQ 100 Futures”) which are traded on the Chicago Mercantile Exchange (“CME”), subject to the rolling strategy discussed below, to obtain the required exposure to the Index.

As the Index is not a futures index, the Sub-Fund does not follow any predetermined roll-over schedule. The Manager will use its discretion to carry out the roll-over of the nearest quarter E-mini NASDAQ 100 Futures into the next quarter E-mini NASDAQ 100 Futures with the goal that, by one business day before the last trading day of the nearest quarter E-mini NASDAQ 100 Futures, all roll-over activities would have occurred. The roll will occur within a 8-calendar days period in the last calendar month of each quarter.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

1. GENERAL INFORMATION (CONTINUED)

CSOP Gold Futures Daily (2x) Leveraged Product

The investment objective of CSOP Gold Futures Daily (2x) Leveraged Product (stock code: 7299) is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the Solactive Gold 1-Day Rolling Futures Index (the “Index”). To achieve the investment objective of the Sub-Fund, the Manager will use a combination of a futures-based replication strategy and a swap-based synthetic replication strategy. The Manager will adopt a futures-based replication strategy through investing directly in the Active Contracts of gold futures traded on the New York Commodity Exchange (COMEX) (“COMEX Gold Futures”) subject to the rolling strategy to obtain the required exposure to the Index and use a swap-based synthetic replication strategy by investing in swaps.

Rolling strategy is defined whereby the Manager will generally carry out the roll-over of the Active Contracts into Next Active Contracts according to the roll-over schedule in respect of the Index with the goal that, by one business day before the last trading day of the previous Active Contracts, all roll-over activities would have occurred in one Business Day. Under exceptional circumstances, the Manager will use its discretion to deviate from the roll-over schedule in the best interests of the Sub-Fund and the Unitholders.

CSOP CSI 300 Index Daily (2x) Leveraged Product

The investment objective of CSOP CSI 300 Index Daily (2x) Leveraged Product (stock code: 7233) is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the CSI 300 Index (the “Index”).

The Manager intends to adopt a swap-based synthetic replication strategy to achieve the investment objective of the Sub-Fund, pursuant to which the Sub-Fund will enter into more than one partially-funded swap (which are over-the counter financial derivative instruments entered into with more than one swap Counterparty) whereby the Sub-Fund will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin (“Initial Amount”) to the swap Counterparties which will be held by the custodian appointed by the Trustee in a segregated account and will only be transferred to the swap Counterparties when the Sub-Fund defaults and in return the swap counterparties will provide the Sub-Fund with an exposure to the Index (net of transaction costs).

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a)(i) Basis of preparation

The financial statements of the Sub-Funds have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”), and interpretations as issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E of the *Code on Unit Trusts and Mutual Funds* of the SFC (the “SFC Code”).

The financial statements have been prepared under the historical cost convention, except for financial assets and liabilities classified as at fair value through profit or loss (“FVPL”) that have been measured at fair value. The financial statements are presented in United States dollars (“US\$”) for CSOP NASDAQ-100 Index Daily (2x) Leveraged Product and CSOP Gold Futures Daily (2x) Leveraged Product and Renminbi (“RMB”) for CSOP CSI 300 Index Daily (2x) Leveraged Product. All values are rounded to the nearest US\$ and RMB except where otherwise indicated.

(a)(ii) Significant accounting judgements, estimates and assumptions

The preparation of financial statements, in conformity with IFRS Accounting Standards, requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts recognised in the financial statements and disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a)(iii) Changes in accounting policy and disclosure

The Sub-Funds have adopted the following new and revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IAS 1

*Classification of Liabilities as Current or Non-current
(the "2020 Amendments")*

Amendments to IAS 1

Non-current Liabilities with Covenants (the "2022 Amendments")

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and Amendments to HKAS 1 Noncurrent Liabilities with Covenants

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

(a)(iv) Issued but not yet effective IFRS Accounting Standards

Sub-Funds have not applied any new and revised IFRS Accounting Standards that have been issued but are not yet effective for the accounting period ended 31 December 2024, in these financial statements. Among the new and revised IFRS Accounting Standards, the following is expected to be relevant to the sub-funds' financial statements upon becoming effective:

IFRS 18

Presentation and Disclosure in Financial Statements²

*Amendments to IFRS 9
and IFRS 7*

*Amendments to the Classification and Measurement of
Instruments Financial¹*

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

Further information about those IFRS Accounting Standards that are expected to be applicable to the Sub-Funds are described below.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a)(iv) Issued but not yet effective IFRS Accounting Standards (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces *IAS 1 Presentation of Financial Statements*. While a number of sections have been brought forward from *IAS 1* with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in *IAS 1* are moved to *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as *IAS 8 Basis of Preparation of Financial Statements*.

As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to *IAS 7 Statement of Cash Flows*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Sub-Funds are currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Sub-Funds' financial statements.

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Instruments Financial

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on Sub-Funds' financial statements.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments

(i) ***Classification***

In accordance with IFRS 9, the Sub-Funds classify their financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Sub-Funds classify their financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial assets

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. The Sub-Funds include in this category short-term non-financing receivables including interest receivable, other receivables, amounts due from brokers, amounts due from participating dealers, margin accounts and cash and cash equivalents.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(i) **Classification** (continued)

Financial assets measured at FVPL

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Sub-Funds include in this category investment funds and derivative contracts in an asset position held for trading.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities other than those measured at FVPL. The Sub-Funds include in this category interest payable from swap contracts, amounts due to participating dealers, amounts due to brokers, management fee payable, other payables and accruals and cash collateral liabilities.

Financial liabilities measured at FVPL

This category includes derivative contracts in a liability position since they are classified as held for trading.

(ii) **Recognition**

The Sub-Funds recognise a financial asset or a financial liability when, and only when, they become a party to the contractual provisions of the instrument. Purchases and sales of financial assets at FVPL are accounted for on the trade date basis.

(iii) **Initial measurement**

Financial assets at FVPL are recorded in the statement of net assets at fair value. All transaction fees for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(iv) ***Subsequent measurement***

After initial measurement, the Sub-Funds measure financial instruments which are classified as at FVPL at fair value. Subsequent changes in the fair values of those financial instruments are recorded in “Net gains/(losses) on financial assets and financial liabilities at FVPL”. Interest earned on these instruments is recorded separately in “interest income” in the statement of profit or loss and other comprehensive income.

Financial assets, other than those classified as at FVPL, are measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the financial assets are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Sub-Funds estimate cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction fee and all other premiums or discounts.

(v) ***Derecognition***

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired, or where the Sub-Funds have transferred their rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either the Sub-Funds have transferred substantially all the risks and rewards of the asset or the Sub-Funds have neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the asset.

When the Sub-Funds have transferred their rights to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Sub-Funds’ continuing involvement in the asset. In that case, the Sub-Funds also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Funds have retained. The Sub-Funds derecognise a financial liability when the obligation under the liability is discharged or cancelled, or expired.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

Fair value measurement

The Sub-Funds measure their investments in financial instruments at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Sub-Funds.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments that are listed or traded on an exchange is based on quoted last traded market prices, that are within the bid-ask spread.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Funds determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Derivative financial instruments

Derivative financial instruments are recorded on a mark-to-market basis. Fair values are determined by using quoted market prices for futures contracts or calculated by reference to changes in specified prices of an underlying asset or otherwise a determined notional amount for swap agreements. All derivatives are carried as assets when amounts are receivable by the Sub-Funds and as liabilities when amounts are payable by the Sub-Funds.

Unrealised gains and losses arising from changes in fair value, and realised gains and losses are recognised in profit or loss.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition

Interest income is recognised in profit or loss on a time-proportionate basis using the effective interest method.

Other income is recognised when it is probable that the economic benefits will flow to the Sub-funds and the other income can be reliably measured. Other income is recognised when the Sub-funds' right to receive payment has been established.

(d) Expenses

Expenses are recognised on an accrual basis.

(e) Cash and cash equivalents

Cash and cash equivalents in the statement of net assets comprise short-term deposits in banks which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, with original maturities of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

(f) Redeemable units

Redeemable units are classified as equity instruments when:

- i. The redeemable units entitle the holder to a pro-rata share of the Sub-Funds' net assets in the event of the Sub-Funds' liquidation;
- ii. The redeemable units are in the class of instruments that is subordinate to all other classes of instruments;
- iii. All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features;
- iv. The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro-rata share of the Sub-Funds' net assets; or
- v. The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds over the life of the instrument.

In addition to the redeemable units having all the above features, the Sub-Funds must have no other financial instruments or contracts that have:

- i. Total cash flows based substantially on profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds; and
- ii. The effect of substantially restricting or fixing the residual return to the redeemable unitholders.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Redeemable units (continued)

The Sub-Funds' redeemable units meet the definition of puttable instruments classified as equity instruments under the revised IAS 32 and are classified as equity.

The Sub-Funds continuously assess the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Sub-Funds will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Sub-Funds will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions. Upon issuance of redeemable units, the consideration received is included in equity.

Transaction costs incurred by the Sub-Funds in issuing its own equity instruments are accounted for as deductions from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

The Sub-Funds' own equity instruments which are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in profit or loss on the purchase, sale, issuance or cancellation of the Sub-Funds' own equity instruments.

Redeemable units can be redeemed in cash equal to a proportionate share of the Sub-Funds' net asset value. The Sub-Funds' net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units of the Sub-Funds.

(g) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

(h) Margin accounts and amounts due to brokers

Margin accounts represent cash deposits held with brokers as collateral against open futures contracts and maintained for Swap Counterparties as collateral against open future swap contracts.

Amounts due to brokers is a sum payable for securities purchased (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of financial assets

For financial assets measured at amortised cost, impairment allowances are recognised under the general approach where expected credit losses are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Sub-Funds are required to provide for credit losses that result from possible default events within the next 12 months (stage 1). For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default (stage 2).

The Sub-Funds consider a default has occurred when a financial asset is more than 90 days past due unless the Sub-Funds have reasonable and supportable information to demonstrate that a more appropriate default criterion should be applied.

(j) Net change in unrealised gains or losses on financial assets/financial liabilities at FVPL

This item includes changes in the fair value of financial assets/financial liabilities as at FVPL.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the year and from reversal of prior period unrealised gains and losses for financial instruments which were realised in the reporting period.

(k) Net realised gains or losses on disposal of financial assets/ financial liabilities at FVPL

Realised gains and losses on disposal of financial assets/financial liabilities classified as at FVPL are calculated using the first-in-first-out method for derivative financial instruments and weighted average method for investment funds.

(l) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of net assets if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(m) Taxes

The Sub-funds are exempt from all forms of taxation in Hong Kong, including income, capital gains and withholding taxes. However, in some jurisdictions, investment income and capital gains are subject to withholding tax deducted from the source of the income. The Sub-Funds present the withholding tax separately from the gross investment income in profit or loss. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Distributions to unitholders

Distributions are at the discretion of the Manager. A distribution to the Sub-Funds' unitholders is accounted for as a deduction from net assets attributable to unitholders. A proposed distribution is recognised as a liability in the year in which it is approved by the Manager. No distribution was paid out of or effectively out of the Sub-Funds' capital.

(o) Formation fee

The formation fee is recognised as an expense in the year in which it is incurred.

(p) Transaction fees

Transaction fees are costs incurred to acquire financial assets/financial liabilities at FVPL. They include fees and commissions paid to agents, brokers and dealers. Transaction fees, when incurred, are immediately recognised in profit or loss as an expense.

(q) Related parties

A party is considered to be related to the Sub-Funds if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Sub-Funds;
 - (ii) has significant influence over the Sub-Funds; or
 - (iii) is a member of the key management personnel of the Sub-Funds or of a parent of the Sub-Funds;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Sub-Funds are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Sub-Funds are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Funds or an entity related to the Sub-Funds;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Sub-Funds or the parent of the Sub-Funds.

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NOTES TO THE FINANCIAL STATEMENTS

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Foreign currency translations

Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign currency translation gains and losses on financial instruments classified as at FVPL are included in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS

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3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS

(a) Net assets attributable to unitholders

The creation and redemption of units of the Sub-Funds can only be facilitated by or through participating dealers. Investors other than the participating dealers make a request to create or redeem units through a participating dealer, and if the investor is a retail investor, such request must be made through a stockbroker which has opened an account with a participating dealer. Units are created or redeemed at a minimum of 800,000 units for CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product and CSOP CSI 300 Index Daily (2x) Leveraged Product or in multiples thereof for the respective Sub-Fund.

The Trustee shall receive subscription proceeds from the participating dealers for the creation of units and pay redemption proceeds for the redemption of units to the relevant participating dealer in such form and manner as prescribed by the Trust Deed. Subscriptions and redemptions of units during the year are shown on the statement of changes in net assets attributable to unitholders.

As stated in note 2(f), units of the Sub-Funds, which are represented by assets less liabilities, are classified as equity and accounted for in accordance with IFRS Accounting Standards (the “Accounting NAV”). For the purpose of determining the net asset value per unit for subscriptions and redemptions and for various fee calculations (the “Dealing NAV”), the Administrator calculates the Dealing NAV in accordance with the provisions of the Trust Deed, which may be different from the accounting policies under IFRS Accounting Standards.

Reconciliation between the Accounting NAV and Dealing NAV

According to the prospectus of the Sub-Funds, the formation fee is amortised over the first five financial periods of the Sub-Funds. However, with respect to the Sub-Funds for the purpose of financial statements preparation in compliance with IFRS Accounting Standards, their accounting policies are to expense the formation fees in profit or loss as incurred.

As of 31 December 2024, the formation fees for establishing the Sub-Funds and the remaining amortisation periods as set out below:

	Formation fees for establishing Sub-Funds	Remaining amortisation periods
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$72,225	0.4 years
CSOP Gold Futures Daily (2x) Leveraged Product	US\$136,005	0.4 years
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB1,592,225	0.5 years

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS (CONTINUED)

(a) Net assets attributable to unitholders (continued)

The difference between the Accounting NAV reported in the statement of net assets and the Dealing NAV as at 31 December 2024 and 2023 is reconciled as set out below:

	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	
	2024	2023
	US\$	US\$
Accounting NAV as reported in the statement of net assets	13,041,148	15,327,088
Adjustment for the formation fee	4,967	18,220
Dealing NAV	<u>13,046,115</u>	<u>15,345,308</u>
	CSOP Gold Futures Daily (2x) Leveraged Product	
	2024	2023
	US\$	US\$
Accounting NAV as reported in the statement of net assets	108,997,887	164,685,781
Adjustment for the formation fee	11,255	37,417
Dealing NAV	<u>109,009,142</u>	<u>164,723,198</u>
	CSOP CSI 300 Index Daily (2x) Leveraged Product	
	2024	2023
	RMB	RMB
Accounting NAV as reported in the statement of net assets	649,802,625	206,154,469
Adjustment for the formation fee	185,395	513,199
Dealing NAV	<u>649,988,020</u>	<u>206,667,668</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

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3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS (CONTINUED)

(b) Movement of units

The table below summarises the movement of units for the year ended 31 December 2024 and 2023, and the Accounting NAV per unit and the Dealing NAV per unit of the Sub-Funds as at 31 December 2024 and 2023.

	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product	
	Number of units		Number of units		Number of units	
	2024	2023	2024	2023	2024	2023
Units in issue at beginning of year	6,420,000	8,020,000	159,400,000	212,200,000	67,600,000	45,200,000
Issued during the year	3,200,000	4,000,000	8,800,000	14,400,000	196,800,000	27,200,000
Redeemed during the year	(5,600,000)	(5,600,000)	(93,600,000)	(67,200,000)	(82,400,000)	(4,800,000)
Units in issue at end of year	<u>4,020,000</u>	<u>6,420,000</u>	<u>74,600,000</u>	<u>159,400,000</u>	<u>182,000,000</u>	<u>67,600,000</u>
	Net assets attributable to unitholders		Net assets attributable to unitholders		Net assets attributable to unitholders	
	2024	2023	2024	2023	2024	2023
	US\$	US\$	US\$	US\$	RMB	RMB
Accounting NAV per unit at end of year	3.2441	2.3874	1.4611	1.0332	3.5703	3.0496
Dealing NAV per unit at end of year	3.2453	2.3902	1.4612	1.0334	3.5714	3.0572

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NOTES TO THE FINANCIAL STATEMENTS

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4. NET GAINS/(LOSSES) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The following is a breakdown of the net gains/(losses) on financial assets and financial liabilities at FVPL:

	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product	
	2024	2023	2024	2023	2024	2023
	US\$	US\$	US\$	US\$	RMB	RMB
Net realised gains/(losses) on sale of financial assets and financial liabilities at FVPL	5,964,354	7,631,399	56,662,549	30,567,966	(24,508,933)	(98,055,794)
Net change in unrealised (losses)/gains on financial assets and financial liabilities at FVPL	(2,318,431)	2,218,524	(7,395,126)	(2,731,564)	(30,476,460)	12,822,380
	<u>3,645,923</u>	<u>9,849,923</u>	<u>49,267,423</u>	<u>27,836,402</u>	<u>(54,985,393)</u>	<u>(85,233,414)</u>

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NOTES TO THE FINANCIAL STATEMENTS

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5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND THEIR CONNECTED PERSONS

Related parties are those as defined in note 2(q). Related parties of the Sub-Funds also include the Manager and the Trustee of the Sub-Funds and their connected persons. Connected persons of the Manager and the Trustee are those as defined in the SFC Code. All transactions entered into during the year between the Sub-Funds and related parties, including the Manager and the Trustee and their connected persons were carried out in the normal course of business and on normal commercial terms.

To the best of the Manager's knowledge, the Sub-Funds do not have any other transactions with their related parties, including the Manager and the Trustee and their connected persons except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee, calculated at an annual rate of the net asset value of the Sub-Funds and is accrued daily and calculated as at each dealing day and payable monthly in arrears with no fixed terms.

	<u>Maximum rate of the net asset value in %</u>	<u>Annual rate of the net asset value in %</u>
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	3%	1.50%
CSOP Gold Futures Daily (2x) Leveraged Product	3%	1.50%
CSOP CSI 300 Index Daily (2x) Leveraged Product	3%	1.60%

The management fee for the year ended 31 December 2024 and management fee payable to the Manager as at 31 December 2024 are as follows:

	<u>Management fee</u> 2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$166,127	US\$177,971
CSOP Gold Futures Daily (2x) Leveraged Product	US\$1,859,017	US\$2,706,009
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB5,191,792	RMB3,458,901
	<u>Management fee payable</u> 2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$61,635	US\$56,495
CSOP Gold Futures Daily (2x) Leveraged Product	US\$509,762	US\$641,260
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB3,037,787	RMB926,614

(b) Custodian, fund administration and trustee fees

The Trustee fee and Registrar's fee are included in the management fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee. Refer to Note 5(a).

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND THEIR CONNECTED PERSONS (CONTINUED)

(c) Cash and cash equivalents, interest income, and bank charges

As at 31 December 2024, part of the interest-bearing bank balances were held with Citibank, Hong Kong, a related company of the Trustee. Refer to note 7 for details of cash and cash equivalents.

During the year ended 31 December 2024, the interest income earned from the bank balances maintained with Citibank, Hong Kong and the bank charges are as follow:

	<u>Interest income earned</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$77	US\$42
CSOP Gold Futures Daily (2x) Leveraged Product	US\$698,998	US\$721,155
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB34,600	RMB18,727
	<u>Bank charges</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$726	US\$822
CSOP Gold Futures Daily (2x) Leveraged Product	US\$1,008	US\$844
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB23,645	RMB23,770

(d) Margin accounts and interest expense

As at 31 December 2024, margin accounts being held with Citigroup Global Markets Limited, a related company of the Trustee, which are pledged as collateral against open futures contracts and future swap contracts are as follow:

	<u>Margin accounts</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	—	—
CSOP Gold Futures Daily (2x) Leveraged Product	US\$24,600,282	US\$26,489,404
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB57,923,912	RMB49,737,727

During the year ended 31 December 2024, the interest income earned and interest expense payable to Citigroup Global Markets Limited are as follow:

	<u>Interest income</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	—	—
CSOP Gold Futures Daily (2x) Leveraged Product	US\$39,617	US\$53,955
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB5,555	RMB61,233
	<u>Interest expense</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	—	—
CSOP Gold Futures Daily (2x) Leveraged Product	US\$116,695	US\$76,217
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB34,768	RMB30,995

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND THEIR CONNECTED PERSONS (CONTINUED)

(e) Holdings of units

As at 31 December 2024, Citibank, N.A., the Trustee's affiliate, held the following units of the Sub-funds, as a market intermediary.

	2024 Units	2023 Units
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	900	1,239,100
CSOP Gold Futures Daily (2x) Leveraged Product	3,048,473	5,470,731
CSOP CSI 300 Index Daily (2x) Leveraged Product	4,024,200	4,390,100

(f) Investments in other collective investment funds managed by the Manager

As at 31 December 2024, the Sub-Funds invested in an investment fund managed by the Manager and the details are as follows:

As at 31 December 2024

	Units	Fair value
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u>		
- CSOP US Dollar Money Market ETF	7,000	US\$812,176
- CSOP US Dollar Money Market ETF- (Unlisted Share Class A)	852,578	US\$989,246
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
- CSOP US Dollar Money Market ETF	136,944	US\$15,888,941
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
- CSOP RMB Money Market ETF	37,680	RMB6,252,996
- CSOP RMB Money Market ETF- (Unlisted Share Class A)	6,721,107	RMB74,482,637
- CSOP US Dollar Money Market ETF- (Unlisted Share Class A)	9,605,145	RMB81,339,885

As at 31 December 2023

	Units	Fair value
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u>		
- CSOP US Dollar Money Market ETF	7,000	US\$771,417
- CSOP US Dollar Money Market ETF- (Unlisted Share Class A)	852,578	US\$939,626
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
- CSOP US Dollar Money Market ETF	275,799	US\$30,393,712
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
- CSOP RMB Money Market ETF	120,000	RMB19,554,000

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND THEIR CONNECTED PERSONS (CONTINUED)

(g) Brokerage fees

The Sub-Funds utilise the trading services of brokers who are related to the Trustee and the Manager in the purchases and sales of investments.

For the year ended 31 December 2024, brokerage fees through Citigroup Global Markets Limited and Citibank, N.A., Hong Kong, the connected person of the Trustee are shown below:

	Aggregate value of purchases and sales of securities	Total commission paid	% of the Sub- Funds' total transactions during the year %	Average commission rate %
<u>CSOP Gold Futures Daily (2x) Leveraged</u>				
<u>Product</u>				
31 December 2024				
Citibank, N.A., Hong Kong	US\$56,474,251	—	0.98%	0.00%
Citigroup Global Markets Limited	US\$4,755,066,240	US\$379,672	82.52%	0.01%
31 December 2023				
Citibank, N.A., Hong Kong	US\$92,765,799	—	1.37%	0.00%
Citigroup Global Markets Limited	US\$5,480,669,601	US\$29,924	80.94%	0.00%
<u>CSOP CSI 300 Index Daily (2x) Leveraged</u>				
<u>Product</u>				
31 December 2024				
Citigroup Global Markets Limited	RMB49,614,324,173	RMB1,134,613	33.03%	0.00%
31 December 2023				
Citigroup Global Markets Limited	RMB49,888,291,120	—	55.55%	0.00%

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(h) Investments held by the Trustee's affiliates

The investments deposited with Citibank, N.A., Hong Kong and Citigroup Global Markets Ltd, Trustee's affiliates as at 31 December 2024 are summarised below:

	Note	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$	2024 RMB	2023 RMB
<u>Financial assets valued at fair value through profit or loss</u>							
Citibank, N.A., Hong Kong	11	1,801,422	1,711,043	15,888,941	30,393,712	162,582,857	20,204,353
Citigroup Global Markets Ltd	11	—	—	704,000	6,283,905	—	5,869,863
<u>Financial liabilities valued at fair value through profit or loss</u>							
Citigroup Global Markets Ltd	11	—	—	(328,360)	—	(5,369,380)	—

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND THEIR CONNECTED PERSONS (CONTINUED)

(i) Rebate income

Rebate income pertains to the management fee rebate income from investments in other collective investment funds managed by the Manager for the year ended 31 December 2024, which is the common Manager of the Sub-Funds as stated in note 5(f). According to Chapter 7.11C of the SFC Code, where a scheme invests in any underlying schemes managed by the same management company or its connected persons, all initial charges and redemption charges on the underlying schemes must be waived. The Manager did not incur any initial and redemption charges on the Sub-Funds for the year ended 31 December 2024 and 2023.

As of 31 December 2024, the rebate income and rebate receivables from the Manager for the Sub-Funds are interest-free, unsecured and receivable less than 1 month are as follows:

	<u>Rebate income</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$6,152	US\$5,832
CSOP Gold Futures Daily (2x) Leveraged Product	US\$75,007	US\$119,845
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB210,840	RMB141,132
	<u>Rebate receivables</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$4,702	US\$1,516
CSOP Gold Futures Daily (2x) Leveraged Product	US\$49,147	US\$28,919
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB152,969	RMB36,285

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND THEIR CONNECTED PERSONS (CONTINUED)

(j) Other income

Other income pertains to the amount reimbursed from the Manager to the Sub-Funds for the portion of ongoing expense in excess of the rate below of the net asset value of the Sub-Funds are as follows:

	<u>Maximum rate of the net asset value in %</u>	
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	3.00%	
CSOP Gold Futures Daily (2x) Leveraged Product	1.59%	
CSOP CSI 300 Index Daily (2x) Leveraged Product	2.04%	

	<u>Reimbursed from Manager</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$1,330	—
CSOP Gold Futures Daily (2x) Leveraged Product	—	—
CSOP CSI 300 Index Daily (2x) Leveraged Product	—	—

As of 31 December 2024, there are no reimbursed receivables for the Sub-Funds (2023: Nil).

(k) Cash collateral liabilities and collateral management fee

As at 31 December 2024, cash collateral liabilities held by Citibank, N.A., Hong Kong Branch, an Trustee's affiliate are as follows:

	<u>Cash collateral liabilities</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	—	—
CSOP Gold Futures Daily (2x) Leveraged Product	—	US\$2,390,000
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB7,372,048	RMB8,679,855

During the year ended 31 December 2024, the collateral management fee payable to the Trustee are as follows:

	<u>Collateral management fee</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	—	—
CSOP Gold Futures Daily (2x) Leveraged Product	US\$6,558	US\$5,917
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB118,100	RMB98,937

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND THEIR CONNECTED PERSONS (CONTINUED)

(l) Other operating expenses

The Sub-Funds paid Citibank, N.A., Hong Kong Branch, a Trustee's affiliate, as the administrator, financial statement preparation fee and out-of-pocket expenses for the year ended 31 December 2024 included in other operating expenses in the statement of profit or loss and other comprehensive income are as follow:

	<u>Financial statement preparation fee</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$7,131	US\$7,479
CSOP Gold Futures Daily (2x) Leveraged Product	US\$7,500	US\$7,500
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB35,825	RMB52,500
	<u>Out-of-pocket expenses</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$1,215	US\$6,782
CSOP Gold Futures Daily (2x) Leveraged Product	US\$6,230	US\$17,065
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB46,071	RMB140,733

6. MARGIN ACCOUNTS/AMOUNTS DUE FROM/(TO) BROKERS

	<u>Margin accounts</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$4,422,264	US\$2,721,905
CSOP Gold Futures Daily (2x) Leveraged Product	US\$28,980,813	US\$36,019,808
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB236,527,774	RMB92,448,794

As at 31 December 2024, margin account maintained are pledged as collateral against open futures contracts and future swap contracts. Refer to 5(d) for related balances and transactions with connected parties.

		<u>Amounts due from/(to) brokers</u>	
	Note	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		—	—
CSOP Gold Futures Daily (2x) Leveraged Product	(a)	US\$5,804	—
CSOP CSI 300 Index Daily (2x) Leveraged Product	(b)	RMB(295,066)	—

Note:

- (a) As at 31 December 2024, the amount due from brokers represents receivable for securities sold not yet settled on the reporting date. The balance is receivable less than 1 month.
- (b) As at 31 December 2024, the amounts due to brokers represents payable for swap settlement but not yet settled on the reporting date. The balance is repayable less than 1 month.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

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7. CASH AND CASH EQUIVALENTS

	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product	
	2024	2023	2024	2023	2024	2023
	US\$	US\$	US\$	US\$	RMB	RMB
Term deposits at banks with original maturity less than three months						
- Bank of Shanghai (Hong Kong) Ltd	—	275,050	—	8,800,000	—	—
Bank balances						
- Citibank, Hong Kong	1,495,659	2,021,034	14,508,859	21,037,771	78,267,343	25,352,316
- China Everbright Bank Co., Ltd	1,616,478	2,135,436	11,119,177	17,829,198	90,675,308	22,959,568
- CMB Wing Lung Bank Ltd	1,781,852	1,863,936	12,577,820	16,471,904	75,413,187	18,798,995
- Industrial and Commercial Bank of China	1,719,644	2,058,221	10,788,952	15,010,019	47,660,457	25,303,544
- United Overseas Bank	1,709,408	1,626,016	15,537,335	15,931,474	—	—
	<u>8,323,041</u>	<u>9,704,643</u>	<u>64,532,143</u>	<u>86,280,366</u>	<u>292,016,295</u>	<u>92,414,423</u>
Total cash and cash equivalents	<u>8,323,041</u>	<u>9,979,693</u>	<u>64,532,143</u>	<u>95,080,366</u>	<u>292,016,295</u>	<u>92,414,423</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

8. SOFT COMMISSION ARRANGEMENTS

The Manager may effect transactions, provided that any such transaction is consistent with standards of “best execution”, by or through the agency of another person for the account of the Sub-Funds with whom the Manager or any of its connected persons has an arrangement under which that party will from time to time provide to or procure for the Manager or any of its connected persons goods, services or other benefits (such as advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Sub-Funds as a whole and may contribute to an improvement in the performance of the Sub-Funds. For the avoidance of doubt, such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees’ salaries or direct money payments. During the year ended 31 December 2024 and 2023, the Manager has not participated in any soft commission arrangements in respect of any transactions for the account of each of the Sub-Fund.

9. TAXATION

No provisions for Hong Kong profits tax have been made for the Sub-Funds as they are authorised as collective investment schemes under section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from Hong Kong profits tax under section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

10. DISTRIBUTIONS TO UNITHOLDERS

The Manager may in its absolute discretion distribute income to unitholders annually (usually in December of each financial year) or determine that no distributions shall be made in any financial year. Distributions may not be paid if the costs of the Sub-Funds’ operations are higher than the yield from management of the Sub-Funds’ cash and holdings of investments. The Sub-Funds did not make any distributions for the year ended 31 December 2024 and 2023.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

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11. FINANCIAL ASSETS/FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product	
	2024	2023	2024	2023	2024	2023
	US\$	US\$	US\$	US\$	RMB	RMB
Financial assets at fair value through profit or loss						
Investment funds (note 13(b)(i))	1,801,422	1,711,043	15,888,941	30,393,712	162,075,518	19,554,000
Futures contracts (i)	—	987,076	—	4,777,155	—	—
Futures swap contracts (i)	—	—	704,000	1,506,750	—	—
Total return swaps (ii)	—	—	—	—	—	11,164,066
Forward exchange contracts (iii)	—	—	—	—	507,339	650,353
	<u>1,801,422</u>	<u>2,698,119</u>	<u>16,592,941</u>	<u>36,677,617</u>	<u>162,582,857</u>	<u>31,368,419</u>
Financial liabilities at fair value through profit or loss						
Futures contracts (i)	(1,421,734)	—	(567,340)	(18,750)	—	—
Total return swaps (ii)	—	—	—	—	(21,253,475)	—
	<u>(1,421,734)</u>	<u>—</u>	<u>(567,340)</u>	<u>(18,750)</u>	<u>(21,253,475)</u>	<u>—</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

11. FINANCIAL ASSETS/FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(i) Futures contracts and future swap contracts

Futures contracts and future swap contracts are commitments to make or take future delivery of various commodities, currencies or financial instruments at a specified time and place. These commitments can be discharged by making or taking delivery of an approved grade of commodity, currency and financial instrument by cash settlement or by making an offsetting sale or purchase of an equivalent futures contract or future swap contracts on the same (or a linked) exchange prior to the designated date of delivery.

The following futures contracts and future swap contracts were unsettled at the date of the statement of net assets:

As at 31 December 2024

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product

Type of contract	Position	Underlying investment	Expiration date	Contracts	Nominal amount US\$	Fair value US\$
Index futures	Long	NASDAQ 100 Index	21 March 2025	61	27,318,064	(1,421,734)

CSOP Gold Futures Daily (2x) Leveraged Product

Type of contract	Position	Underlying investment	Expiration date	Contracts	Nominal amount US\$	Fair value US\$
Futures swaps	Long	Solactive Gold 1-Day Rolling Futures Index	26 February 2025	550	144,551,000	704,000
Index futures	Long	Solactive Gold 1-Day Rolling Futures Index	26 February 2025	60	16,084,980	(238,980)
Index futures	Long	Solactive Gold 1-Day Rolling Futures Index	26 February 2025	215	57,109,860	(328,360)

As at 31 December 2023

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product

Type of contract	Position	Underlying investment	Expiration date	Contracts	Nominal amount US\$	Fair value US\$
Index futures	Long	NASDAQ 100 Index	15 March 2024	89	29,314,335	987,076

CSOP Gold Futures Daily (2x) Leveraged Product

Type of contract	Position	Underlying investment	Expiration date	Contracts	Nominal amount US\$	Fair value US\$
Index futures	Long	Solactive Gold 1-Day Rolling Futures Index	27 February 2024	800	160,966,844	4,777,155
Futures swaps	Long	Solactive Gold 1-Day Rolling Futures Index	27 February 2024	750	153,878,250	1,506,750
Index futures	Long	Solactive Gold 1-Day Rolling Futures Index	27 February 2024	40	8,275,630	(18,750)

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

11. FINANCIAL ASSETS/FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(ii) Total return swaps

The following total return swaps were unsettled at the date of the statement of net assets:

As at 31 December 2024

CSOP CSI 300 Index Daily (2x) Leveraged Product

Type of contract	Position	Counterparty	Underlying investment	Expiration date	Contracts	Notional amount RMB	Fair value RMB
Total return swap	Long	JP Morgan Chase & Co	CSI 300 Index	6 January 2025	40,000	159,962,000	(2,565,600)
Total return swap	Long	HSBC Hong Kong Citigroup	CSI 300 Index	9 December 2025	34,083	136,299,621	(2,186,084)
Total return swap	Long	Global Markets Limited	CSI 300 Index	17 January 2025	83,707	334,748,891	(5,369,380)
Total return swap	Long	CICC Financial Trading Limited	CSI 300 Index	31 December 2025	173,551	694,039,977	(11,132,411)

As at 31 December 2023

CSOP CSI 300 Index Daily (2x) Leveraged Product

Type of contract	Position	Counterparty	Underlying investment	Expiration date	Contracts	Notional amount RMB	Fair value RMB
Total return swap	Long	HSBC Hong Kong Citigroup	CSI 300 Index	12 December 2024	5,500	18,349,980	521,125
Total return swap	Long	Global Markets Limited	CSI 300 Index	15 July 2024	64,464	215,313,211	5,869,863
Total return swap	Long	CICC Financial Trading Limited	CSI 300 Index	29 May 2024	50,374	168,065,658	4,773,078

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

11. FINANCIAL ASSETS/FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(iii) Forward Exchange Contracts

The following forward Exchange contracts were unsettled at the date of the statement of net assets:

As at 31 December 2024

CSOP CSI 300 Index Daily (2x) Leveraged Product

Type of contract	Position	Counterparty	Underlying index	Expiration date	Nominal amount RMB	Fair value RMB
Forward exchange contracts	Long	Citibank, N.A., Hong Kong	Currency	27 January 2025	175,320,000	507,339

As at 31 December 2023

CSOP CSI 300 Index Daily (2x) Leveraged Product

Type of contract	Position	Counterparty	Underlying index	Expiration date	Nominal amount RMB	Fair value RMB
Forward exchange contracts	Long	Citibank, N.A., Hong Kong	Currency	31 January 2024	80,506,850	650,353

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

12. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

According to Chapter 7.1 and 7.1A of the SFC Code, the aggregate value of the Sub-funds' investments in, or exposure to, any single entity or entities within the same group, through the following may not exceed 10% or 20% of its total net asset value respectively:

- (a) investments in securities issued by that entity;
- (b) exposure to that entity through underlying assets of financial derivative instruments; and
- (c) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.

Notwithstanding above limitation from Chapter 7.1, Chapter 8.6 (h) states that more than 10% of NAV of the Sub-funds may be invested in constituent securities issued by a single entity provided that:

- (i) the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the index; and
- (ii) the index fund's holding of any such constituent securities may not exceed their respective weightings in the index, except where weightings are exceeded as a result of changes in the composition of the index and the excess is only transitional and temporary in nature.

However, according to Chapter 8.6 (h)(a)(ii), the above Chapter 8.6 (h)(i) and (ii) do not apply as the strategy to hold securities from single issuer for more than 10% of NAV is clearly disclosed in the prospectus of the Sub-funds, thus requirement from Chapter 7.1 is exempted.

The following are the securities that individually accounted for more than 10% of the NAV of the Sub-Funds as at 31 December 2024.

As at 31 December 2024

	Fair value	% of net assets
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
- CSOP US Dollar Money Market ETF	US\$15,888,941	14.58
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
- CSOP RMB Money Market ETF- (Unlisted Share Class A)	RMB74,482,637	11.46
- CSOP US Dollar Money Market ETF- (Unlisted Share Class A)	RMB81,339,885	12.52

As at 31 December 2023

	Fair value	% of net assets
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
- CSOP US Dollar Money Market ETF	US\$30,393,712	18.46

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Strategy in using financial instruments

Investment objective and investment policies

The investment objectives of the Sub-Funds are to provide investment results that, before fees and expenses, closely correspond to the daily performance of the relevant index. Refer to note 1 for details.

The Sub-Funds themselves are subject to various risks. The main risks associated with the investments, assets and liabilities of the Sub-Funds are set out below:

(b) Market risk

(i) *Market price risk*

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Funds are designated to track the performance of the relevant index, and therefore the exposures to market risk in the Sub-Funds will be substantially the same as the tracked index. The Manager manages the Sub-Funds' exposure to market risk by ensuring that the key characteristics of the portfolio, are closely aligned with the characteristics of the tracked index.

The Sub-Funds' financial assets and financial liabilities at FVPL were concentrated in the following countries/jurisdictions:

	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product As at 31 December 2024		As at 31 December 2023	
	Fair value US\$	% of net asset value	Fair value US\$	% of net asset value
<u>Investment funds</u>				
CSOP US Dollar Money Market ETF	812,176	6.23	771,417	5.03
CSOP US Dollar Money Market ETF - (Unlisted Share Class A)	989,246	7.58	939,626	6.13
<u>Index futures</u>				
The United States of America	–	–	987,076	6.44
Total financial assets at FVPL	<u>1,801,422</u>	<u>13.81</u>	<u>2,698,119</u>	<u>17.60</u>
<u>Index futures</u>				
The United States of America	(1,421,734)	(10.90)	–	–
Total financial liabilities at FVPL	<u>(1,421,734)</u>	<u>(10.90)</u>	<u>–</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(i) Market price risk (continued)

	CSOP Gold Futures Daily (2x) Leveraged Product			
	As at 31 December 2024		As at 31 December 2023	
	Fair value US\$	% of net asset value	Fair value US\$	% of net asset value
<u>Investment funds</u>				
CSOP US Dollar Money Market ETF	15,888,941	14.58	30,393,712	18.46
<u>Index futures</u>				
The United States of America	–	–	4,777,155	2.90
<u>Futures swap contracts</u>				
The United States of America	704,000	0.64	1,506,750	0.91
Total financial assets at FVPL	<u>16,592,941</u>	<u>15.22</u>	<u>36,677,617</u>	<u>22.27</u>
<u>Index futures</u>				
The United States of America	(567,340)	(0.52)	(18,750)	(0.01)
Total financial liabilities at FVPL	<u>(567,340)</u>	<u>(0.52)</u>	<u>(18,750)</u>	<u>(0.01)</u>
	CSOP CSI 300 Index Daily (2x) Leveraged Product			
	As at 31 December 2024		As at 31 December 2023	
	Fair value RMB	% of net asset value	Fair value RMB	% of net asset value
<u>Investment funds</u>				
CSOP RMB Money Market ETF	6,252,996	0.96	19,554,000	9.48
CSOP RMB Money Market ETF- (Unlisted Share Class A)	74,482,637	11.46	–	–
CSOP US Dollar Money Market ETF- (Unlisted Share Class A)	81,339,885	12.52	–	–
<u>Total return swaps</u>				
China	–	–	11,164,066	5.42
<u>Forward contracts</u>				
Hong Kong	507,339	0.08	650,353	0.32
Total financial assets at FVPL	<u>162,582,857</u>	<u>25.02</u>	<u>31,368,419</u>	<u>15.22</u>
<u>Total return swaps</u>				
China	(21,253,475)	(3.27)	–	–
Total financial liabilities at FVPL	<u>(21,253,475)</u>	<u>(3.27)</u>	<u>–</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(i) Market price risk (continued)

Sensitivity analysis in the event of a possible change in the tracked index by sensitivity threshold as estimated by the Manager

As at 31 December 2024, if the tracked index increases by the following sensitivity threshold with all other variables held constant, this would increase the net asset value by the amount stated below. Conversely, if the tracked index decreases by the same sensitivity threshold, this would decrease the net asset value by approximately equal amounts.

As at 31 December 2024

	Sensitivity threshold in %	Impact
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u>		
NASDAQ-100 Index	25%	US\$6,489,000
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
Solactive Gold 1-Day Rolling Futures Index	20%	US\$44,340,000
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
CSI 300 Index	15%	RMB190,825,000

As at 31 December 2023

	Sensitivity threshold in %	Impact
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u>		
NASDAQ-100 Index	54%	US\$16,494,000
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
Solactive Gold 1-Day Rolling Futures Index	7%	US\$23,900,000
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
CSI 300 Index	11%	RMB46,914,000

The Manager has used the view of what would be a “reasonable shift” in each key market to estimate the change for use in the market sensitivity analysis above. The disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in the market index % are revised annually depending on the Manager’s current view of market volatility and other relevant factors.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)
(ii) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument or future cash flows will fluctuate due to changes in market interest rates.

As at 31 December 2024, except for money market funds, bank balances and margin accounts subject to floating interest rates, the majority of the Sub-Funds' financial assets and financial liabilities are non-interest bearing. If the interest rates had been higher or lower with all variables held constant, net assets attributable to unitholders would have been higher or lower. The Manager considers the interest arising from bank balances and margin accounts are immaterial.

(iii) *Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product and CSOP Gold Futures Daily (2x) Leveraged Product hold assets and liabilities denominated in US\$, which is also the functional currency. The Manager considers that there is no material currency risk to these Sub-Funds.

The functional currency of CSOP CSI 300 Index Daily (2x) Leveraged Product is RMB. These Sub-Funds are exposed to currency risk primarily through recognised assets or liabilities that are denominated in US and Hong Kong dollars ("HKD"), where fluctuations in the relevant exchange rates may have an impact on the income and value of these Sub-Funds. The Manager may seek to minimise exposure to foreign currency fluctuation to the extent practicable.

The following table details the exposure to currency risk of CSOP CSI 300 Index Daily (2x) Leveraged Product at the end of the reporting period.

	CSOP CSI 300 Index Daily (2x) Leveraged Product	
	2024	2023
	RMB	RMB
Net assets exposed to US\$	103,174,607	5,584,676
Net assets exposed to HKD	9,286	8,963

As at 31 December 2024, if US\$ and HKD strengthens/weakens against RMB by 4% (2023: 5%) with all other variables being constant, the total comprehensive income for the year of CSOP CSI 300 Index Daily (2x) Leveraged Product would have been increased/decreased as follow:

	2024	2023
	RMB	RMB
CSOP CSI 300 Index Daily (2x) Leveraged Product	4,127,356	279,682

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The Sub-Funds' financial assets which are potentially subject to credit risk consist principally of securities and cash and cash equivalents. The Sub-Funds limit their exposure to credit risk by transacting with well-established broker-dealers and banks with high credit ratings.

All transactions in securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Financial assets subject to IFRS 9's impairment requirements

The Sub-Funds' financial assets subject to the ECL model within IFRS 9 are interest receivable, other receivables, amounts due from participating dealers, amounts due from brokers, margin accounts and cash and cash equivalents. At 31 December 2024, the total amount of these financial assets for the Sub-Funds are stated below, on which no loss allowance had been provided. No assets are considered impaired and no amounts have been written off during the year.

	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$12,750,007	US\$12,703,244
CSOP Gold Futures Daily (2x) Leveraged Product	US\$93,567,907	US\$131,133,249
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB528,699,238	RMB184,899,502

For financial assets measured at amortised cost, the Sub-Funds apply the general approach for impairment, and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. The financial assets therefore are still classified as stage 1 and presented in gross carrying amount.

Financial assets not subject to IFRS 9's impairment requirements

The Sub-Funds are exposed to credit risk on fund investments and derivative financial instruments. They are not subject to IFRS 9's impairment requirements as they are measured at FVPL. The carrying value of these assets, under IFRS 9 represents the Sub-Funds' maximum exposure to credit risk on financial instruments not subject to IFRS 9's impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

The tables below summarise the Sub-Funds' assets placed with banks and brokers and the credit ratings of these banks and brokers are at or above investment grade as at 31 December 2024 and 2023:

As at 31 December 2024

	CSOP NASDAQ- 100 Index Daily (2x) Leveraged Product 2024 US\$	CSOP Gold Futures Daily (2x) Leveraged Product 2024 US\$	CSOP CSI 300 Index Daily (2x) Leveraged Product 2024 RMB
<u>Financial assets at FVPL</u>			
Citibank, N.A., Hong Kong	1,801,422	15,888,941	162,582,857
Citigroup Global Markets Limited	–	704,000	–
<u>Bank balances and margin accounts</u>			
BNP Paribas MLA	4,422,264	4,380,531	–
China Everbright Bank Co., Ltd	1,616,478	11,119,177	90,675,308
CICC Financial Trading Limited	–	–	178,603,862
Citibank, N.A., Hong Kong	1,495,659	14,508,859	78,267,343
Citigroup Global Markets Limited	–	24,600,282	57,923,912
CMB Wing Lung Bank Ltd	1,781,852	12,577,820	75,413,187
Industrial and Commercial Bank of China	1,719,644	10,788,952	47,660,457
United Overseas Bank	1,709,408	15,537,335	–

As at 31 December 2023

	CSOP NASDAQ- 100 Index Daily (2x) Leveraged Product 2023 US\$	CSOP Gold Futures Daily (2x) Leveraged Product 2023 US\$	CSOP CSI 300 Index Daily (2x) Leveraged Product 2023 RMB
<u>Financial assets at FVPL</u>			
BNP Paribas MLA	987,076	–	–
CICC Financial Trading Limited	–	–	4,773,078
Citibank, N.A., Hong Kong	1,711,043	30,393,712	20,204,353
Citigroup Global Markets Limited	–	6,283,905	5,869,863
HSBC Hong Kong	–	–	521,125
<u>Bank balances and margin accounts</u>			
BNP Paribas MLA	2,721,905	9,530,404	–
China Everbright Bank Co., Ltd	2,135,436	17,829,198	22,959,568
CICC Financial Trading Limited	–	–	42,711,067
Citibank, N.A., Hong Kong	2,021,034	21,037,771	25,352,316
Citigroup Global Markets Limited	–	26,489,404	49,737,726
CMB Wing Lung Bank Ltd	1,863,936	16,471,904	18,798,996
Industrial and Commercial Bank of China	2,058,221	15,010,019	25,303,544
United Overseas Bank	1,626,016	15,931,474	–
<u>Term deposits</u>			
Bank of Shanghai (Hong Kong) Ltd	275,050	8,800,000	–

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in settling a liability, including a redemption request. The Sub-Funds' majority securities are considered readily realisable, as they are traded in an active market and can be readily disposed of. It is the intent of the Manager to monitor the Sub-Funds' liquidity position on a daily basis. The following table illustrates the expected liquidity of financial assets held and gives the contractual undiscounted cash-flow projection of the Sub-Funds' financial liabilities as at 31 December 2024 and 2023. The Sub-Funds manage their liquidity risk by investing in securities that they expect to be able to liquidate within 12 months or less. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product

As at 31 December 2024

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	–	1,801,422	–	–	–	1,801,422
Other receivables	–	4,702	–	–	–	4,702
Margin accounts	4,422,264	–	–	–	–	4,422,264
Cash and cash equivalents	8,323,041	–	–	–	–	8,323,041
Total	12,745,305	1,806,124	–	–	–	14,551,429
Financial liabilities						
Financial liabilities at fair value through profit or loss	–	–	1,421,734	–	–	1,421,734
Management fee payable	–	61,635	–	–	–	61,635
Other payables and accruals	–	26,912	–	–	–	26,912
Total	–	88,547	1,421,734	–	–	1,510,281

As at 31 December 2024, there were 2 major unitholders respectively held 20% and 20% of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product (continued)

As at 31 December 2023

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	—	1,711,043	987,076	—	—	2,698,119
Interest receivable	—	130	—	—	—	130
Other receivables	—	1,516	—	—	—	1,516
Margin accounts	2,721,905	—	—	—	—	2,721,905
Cash and cash equivalents	9,979,693	—	—	—	—	9,979,693
Total	<u>12,701,598</u>	<u>1,712,689</u>	<u>987,076</u>	<u>—</u>	<u>—</u>	<u>15,401,363</u>
Financial liabilities						
Management fee payable	—	56,495	—	—	—	56,495
Other payables and accruals	—	17,780	—	—	—	17,780
Total	<u>—</u>	<u>74,275</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>74,275</u>

As at 31 December 2023, there were 3 major unitholders respectively held 29%, 19% and 17% of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product's total net assets

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP Gold Futures Daily (2x) Leveraged Product

As at 31 December 2024

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	—	15,888,941	704,000	—	—	16,592,941
Other receivables	—	49,147	—	—	—	49,147
Amounts due from brokers	5,804	—	—	—	—	5,804
Margin accounts	28,980,813	—	—	—	—	28,980,813
Cash and cash equivalents	64,532,143	—	—	—	—	64,532,143
Total	<u>93,518,760</u>	<u>15,938,088</u>	<u>704,000</u>	<u>—</u>	<u>—</u>	<u>110,160,848</u>
Financial liabilities						
Financial liabilities at fair value through profit or loss	—	—	567,340	—	—	567,340
Management fee payable	—	509,762	—	—	—	509,762
Other payables and accruals	—	85,859	—	—	—	85,859
Total	<u>—</u>	<u>595,621</u>	<u>567,340</u>	<u>—</u>	<u>—</u>	<u>1,162,961</u>

As at 31 December 2024, there were 2 major unitholders respectively held 18% and 15% of CSOP Gold Futures Daily (2x) Leveraged Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP Gold Futures Daily (2x) Leveraged Product (continued)

As at 31 December 2023

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	—	30,393,712	6,283,905	—	—	36,677,617
Interest receivable	—	4,156	—	—	—	4,156
Other receivables	—	28,919	—	—	—	28,919
Margin accounts	36,019,808	—	—	—	—	36,019,808
Cash and cash equivalents	95,080,366	—	—	—	—	95,080,366
Total	<u>131,100,174</u>	<u>30,426,787</u>	<u>6,283,905</u>	<u>—</u>	<u>—</u>	<u>167,810,866</u>
Financial liabilities						
Financial liabilities at fair value through profit or loss	—	—	18,750	—	—	18,750
Management fee payable	—	641,260	—	—	—	641,260
Other payables and accruals	—	75,075	—	—	—	75,075
Cash collateral liabilities	2,390,000	—	—	—	—	2,390,000
Total	<u>2,390,000</u>	<u>716,335</u>	<u>18,750</u>	<u>—</u>	<u>—</u>	<u>3,125,085</u>

As at 31 December 2023, there were 2 major unitholders respectively held 18% and 18% of CSOP Gold Futures Daily (2x) Leveraged Product's total net assets

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP CSI 300 Index Daily (2x) Leveraged Product

As at 31 December 2024

	On demand RMB	Less than 1 month RMB	1 to 3 months RMB	3 to 12 months RMB	More than 12 months RMB	Total RMB
Financial assets						
Financial assets at fair value through profit or loss	—	162,582,857	—	—	—	162,582,857
Other receivables	—	152,969	—	—	—	152,969
Amounts due from participating dealers	—	2,200	—	—	—	2,200
Margin accounts	236,527,774	—	—	—	—	236,527,774
Cash and cash equivalents	292,016,295	—	—	—	—	292,016,295
Total	<u>528,544,069</u>	<u>162,738,026</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>691,282,095</u>
Financial liabilities						
Financial liabilities at fair value through profit or loss	—	7,934,980	—	13,318,495	—	21,253,475
Interest payable from future swap contracts	—	162,912	—	—	—	162,912
Amounts due to participating dealers	—	8,840,282	—	—	—	8,840,282
Amounts due to brokers	—	295,066	—	—	—	295,066
Management fee payable	—	3,037,787	—	—	—	3,037,787
Cash collateral liabilities	7,372,048	—	—	—	—	7,372,048
Other payables and accruals	—	517,900	—	—	—	517,900
Total	<u>7,372,048</u>	<u>20,788,927</u>	<u>—</u>	<u>13,318,495</u>	<u>—</u>	<u>41,479,470</u>

As at 31 December 2024, there were 2 major unitholder respectively held 20% and 14% of CSOP CSI 300 Index Daily (2x) Leveraged Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP CSI 300 Index Daily (2x) Leveraged Product (continued)

As at 31 December 2023

	On demand RMB	Less than 1 month RMB	1 to 3 months RMB	3 to 12 months RMB	More than 12 months RMB	Total RMB
Financial assets						
Financial assets at fair value through profit or loss	—	19,554,000	650,353	11,164,066	—	31,368,419
Other receivables	—	36,285	—	—	—	36,285
Margin accounts	92,448,794	—	—	—	—	92,448,794
Cash and cash equivalents	92,414,423	—	—	—	—	92,414,423
Total	<u>184,863,217</u>	<u>19,590,285</u>	<u>650,353</u>	<u>11,164,066</u>	<u>—</u>	<u>216,267,921</u>
Financial liabilities						
Interest payable from future swap contracts	—	142,937	—	—	—	142,937
Management fee payable	—	926,614	—	—	—	926,614
Cash collateral liabilities	8,679,855	—	—	—	—	8,679,855
Other payables and accruals	—	364,046	—	—	—	364,046
Total	<u>8,679,855</u>	<u>1,433,597</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>10,113,452</u>

As at 31 December 2023, there were 1 major unitholder respectively held 21% of CSOP CSI 300 Index Daily (2x) Leveraged Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation

The fair values of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The Sub-Funds use the last traded market prices as its fair valuation inputs for financial assets and financial liabilities.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 requires the Sub-Funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the assets or liabilities.

The determination of what constitutes "observable" requires significant judgement by the Sub-Funds. The Sub-Funds consider observable data to be the market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant markets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

Financial instruments carried at fair value

The following tables analyse the fair value hierarchy within the Sub-Funds' financial instruments measured at fair value:

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product

<u>As at 31 December 2024</u>	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at FVPL:				
Investments funds	812,176	989,246	—	1,801,422
	<u>812,176</u>	<u>989,246</u>	<u>—</u>	<u>1,801,422</u>
Financial liabilities at FVPL:				
Futures contracts	1,421,734	—	—	1,421,734
	<u>1,421,734</u>	<u>—</u>	<u>—</u>	<u>1,421,734</u>
 <u>As at 31 December 2023</u>	 Level 1 US\$	 Level 2 US\$	 Level 3 US\$	 Total US\$
Financial assets at FVPL:				
Investments funds	771,417	939,626	—	1,711,043
Future contracts	987,076	—	—	987,076
	<u>1,758,493</u>	<u>939,626</u>	<u>—</u>	<u>2,698,119</u>

There were no transfers between levels during the years ended 31 December 2024 and 2023.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

- (e) Fair value estimation (continued)
Financial instruments carried at fair value (continued)

CSOP Gold Futures Daily (2x) Leveraged Product

<u>As at 31 December 2024</u>	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at FVPL:				
Investment funds	15,888,941	–	–	15,888,941
Futures swap contracts	–	704,000	–	704,000
	<u>15,888,941</u>	<u>704,000</u>	<u>–</u>	<u>16,592,941</u>
Financial liabilities at FVPL:				
Futures contracts	567,340	–	–	567,340
	<u>567,340</u>	<u>–</u>	<u>–</u>	<u>567,340</u>
<u>As at 31 December 2023</u>	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at FVPL:				
Investment funds	30,393,712	–	–	30,393,712
Futures contracts	4,777,155	–	–	4,777,155
Futures swap contracts	–	1,506,750	–	1,506,750
	<u>35,170,867</u>	<u>1,506,750</u>	<u>–</u>	<u>36,677,617</u>
Financial liabilities at FVPL:				
Futures contracts	18,750	–	–	18,750
	<u>18,750</u>	<u>–</u>	<u>–</u>	<u>18,750</u>

There were no transfers between levels during the years ended 31 December 2024 and 2023.

CSOP CSI 300 Index Daily (2x) Leveraged Product

<u>As at 31 December 2024</u>	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
Financial assets at FVPL:				
Investment funds	6,252,996	155,822,522	–	162,075,518
Forward contracts	–	507,339	–	507,339
	<u>6,252,996</u>	<u>156,329,861</u>	<u>–</u>	<u>162,582,857</u>
Financial liabilities at FVPL:				
Total return swaps	–	21,253,475	–	21,253,475
	<u>–</u>	<u>21,253,475</u>	<u>–</u>	<u>21,253,475</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

- (e) Fair value estimation (continued)
Financial assets carried at fair value (continued)

CSOP CSI 300 Index Daily (2x) Leveraged Product (continued)

<u>As at 31 December 2023</u>	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
Financial assets at FVPL:				
Investment funds	19,554,000	–	–	19,554,000
Forward contracts	–	650,353	–	650,353
Total return swaps	–	11,164,066	–	11,164,066
	<u>19,554,000</u>	<u>11,814,419</u>	<u>–</u>	<u>31,368,419</u>

There were no transfers between levels during the years ended 31 December 2024 and 2023.

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include listed units of investment funds and futures contracts. The Sub-Funds do not adjust the quoted price for these instruments.

Financial instruments that are traded in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2, include forward contracts, future swap contracts and total return swaps and unlisted units of listed investment funds.

Investments classified within Level 3 have significant unobservable inputs, as they are traded infrequently.

Other financial assets and financial liabilities

The Manager has assessed that the carrying values of interest receivable, other receivables, amounts due from participating dealers, amounts due from brokers, margin accounts, cash and cash equivalents, interest payable from swap contracts, amounts due to participating dealers, amounts due to brokers, management fee payable, other payables and accruals, and cash collateral liabilities approximate to their fair values largely due to the short term maturities of these instruments.

- (f) Capital risk management

The Sub-Funds' capital are represented by the net assets attributable to unitholders. The Sub-Funds' objectives are to provide investment results that correspond generally to the performance of the Index.

The Manager may:

- redeem and issue new units in accordance with the constitutive documents of the Sub-Funds;
- exercise discretion when determining the amount of distributions of the Sub-Funds to the unitholders; and
- suspend the creation and redemption of units under certain circumstances stipulated in the Trust Deed.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Offsetting and amounts subject to master netting arrangements and similar agreements

The Sub-Funds present the fair value of their derivative assets and liabilities on a gross basis, no such assets or liabilities have been offset in the statement of net assets. Certain derivative financial instruments are subject to enforceable master netting arrangements.

The arrangements allow for offsetting following an event of default, but not in the ordinary course of business, and the Sub-Funds do not intend to settle these transactions on a net basis or settle the assets and liabilities on a simultaneous basis.

The tables below set out the carrying amounts of recognised financial assets and liabilities that are subject to the above arrangement, together with collateral held or pledged against these assets and liabilities as at 31 December 2024 and 2023:

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product
As at 31 December 2024

	Gross amounts of recognised financial assets US\$	Gross amounts of recognised financial assets set-off in the statement of net assets US\$	Net amounts of financial assets presented in the statement of net assets US\$	Related amounts not set-off in the statement of net assets		
				Financial instruments US\$	Cash collateral received US\$	Net amounts US\$
Financial assets						
Margin accounts	4,422,264	—	4,422,264	(1,421,734)	—	3,000,530
Total	<u>4,422,264</u>	<u>—</u>	<u>4,422,264</u>	<u>(1,421,734)</u>	<u>—</u>	<u>3,000,530</u>
Financial liabilities						
Future contracts	1,421,734	—	1,421,734	(1,421,734)	—	—
Total	<u>1,421,734</u>	<u>—</u>	<u>1,421,734</u>	<u>(1,421,734)</u>	<u>—</u>	<u>—</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Offsetting and amounts subject to master netting arrangements and similar agreements (continued)

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product (continued)

As at 31 December 2023

	Gross amounts of recognised financial assets US\$	Gross amounts of recognised financial assets set-off in the statement of net assets US\$	Net amounts of financial assets presented in the statement of net assets US\$	Related amounts not set-off in the statement of net assets		
				Financial instruments US\$	Cash collateral received US\$	Net amounts US\$
Financial assets						
Future contracts	987,076	—	987,076	—	—	987,076
Margin accounts	2,721,905	—	2,721,905	—	—	2,721,905
Total	<u>3,708,981</u>	<u>—</u>	<u>3,708,981</u>	<u>—</u>	<u>—</u>	<u>3,708,981</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Offsetting and amounts subject to master netting arrangements and similar agreements (continued)

CSOP Gold Futures Daily (2x) Leveraged Product
As at 31 December 2024

	Gross amounts of recognised financial assets/liabilities US\$	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets US\$	Net amounts of financial assets/liabilities presented in the statement of net assets US\$	Related amounts not set-off in the statement of net assets		Net amounts US\$
				Financial instruments US\$	Cash collateral received US\$	
Financial assets						
Futures swap contracts	704,000	—	704,000	—	—	704,000
Margin accounts	28,980,813	—	28,980,813	(567,340)	—	28,413,473
Total	<u>29,684,813</u>	<u>—</u>	<u>29,684,813</u>	<u>(567,340)</u>	<u>—</u>	<u>29,117,473</u>
Financial liabilities						
Future contracts	567,340	—	567,340	(567,340)	—	—
Total	<u>567,340</u>	<u>—</u>	<u>567,340</u>	<u>(567,340)</u>	<u>—</u>	<u>—</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Offsetting and amounts subject to master netting arrangements and similar agreements (continued)

CSOP Gold Futures Daily (2x) Leveraged Product (continued)

As at 31 December 2023

	Gross amounts of recognised financial assets/liabilities US\$	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets US\$	Net amounts of financial assets/liabilities presented in the statement of net assets US\$	Related amounts not set-off in the statement of net assets		Net amounts US\$
				Financial instruments US\$	Cash collateral received US\$	
Financial assets						
Futures contracts	4,777,155	–	4,777,155	–	–	4,777,155
Futures swap contracts	1,506,750	–	1,506,750	–	–	1,506,750
Margin accounts	36,019,808	–	36,019,808	(18,750)	(2,390,000)	33,611,058
Total	<u>42,303,713</u>	<u>–</u>	<u>42,303,713</u>	<u>(18,750)</u>	<u>(2,390,000)</u>	<u>39,894,963</u>
Financial liabilities						
Future contracts	18,750	–	18,750	(18,750)	–	–
Cash collateral liabilities	2,390,000	–	2,390,000	–	(2,390,000)	–
Total	<u>2,408,750</u>	<u>–</u>	<u>2,408,750</u>	<u>(18,750)</u>	<u>(2,390,000)</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Offsetting and amounts subject to master netting arrangements and similar agreements (continued)

CSOP CSI 300 Index Daily (2x) Leveraged Product
As at 31 December 2024

	Gross amounts of recognised financial assets/liabilities RMB	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets RMB	Net amounts of financial assets/liabilities presented in the statement of net assets RMB	Related amounts not set-off in the statement of net assets		Net amounts RMB
				Financial instruments RMB	Cash collateral received RMB	
Financial assets						
Forward contracts	507,339	—	507,339	—	—	507,339
Margin accounts	236,527,774	—	236,527,774	(21,253,475)	(7,667,114)	207,607,185
Total	<u>237,035,113</u>	<u>—</u>	<u>237,035,113</u>	<u>(21,253,475)</u>	<u>(7,667,114)</u>	<u>208,114,524</u>
Financial liabilities						
Total return swaps	21,253,475	—	21,253,475	(21,253,475)	—	—
Amounts due to brokers	295,066	—	295,066	—	(295,066)	—
Cash collateral liabilities	7,372,048	—	7,372,048	—	(7,372,048)	—
Total	<u>28,920,589</u>	<u>—</u>	<u>28,920,589</u>	<u>(21,253,475)</u>	<u>(7,667,114)</u>	<u>—</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Offsetting and amounts subject to master netting arrangements and similar agreements (continued)

CSOP CSI 300 Index Daily (2x) Leveraged Product (continued)

As at 31 December 2023

	Gross amounts of recognised financial assets/liabilities RMB	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets RMB	Net amounts of financial assets/liabilities presented in the statement of net assets RMB	Related amounts not set-off in the statement of net assets		Net amounts RMB
				Financial instruments RMB	Cash collateral received RMB	
Financial assets						
Forward contracts	650,353	—	650,353	—	—	650,353
Total return swaps	11,164,066	—	11,164,066	—	—	11,164,066
Margin accounts	92,448,794	—	92,448,794	—	(8,679,855)	83,768,939
Total	<u>104,263,213</u>	<u>—</u>	<u>104,263,213</u>	<u>—</u>	<u>(8,679,855)</u>	<u>95,583,358</u>
Financial liabilities						
Cash collateral liabilities	8,679,855	—	8,679,855	—	(8,679,855)	—
Total	<u>8,679,855</u>	<u>—</u>	<u>8,679,855</u>	<u>—</u>	<u>(8,679,855)</u>	<u>—</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

14. BROKERAGE AND TRANSACTION FEE

Broker commission pertain to the broker commission for every transaction made through the broker at the average market rate based on the transaction value. Transaction fees pertain to fees such as trading fee and transaction levy for every transaction made on the exchange.

15. AUDIT FEE

The audit fee of the Sub-Funds for the year ended 31 December 2024 are as follows:

	<u>Audit fee</u>	
	2024	2023
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$8,546	US\$8,532
CSOP Gold Futures Daily (2x) Leveraged Product	US\$51,910	US\$51,776
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB97,898	RMB102,782

The amount was borne by the Sub-Funds. There was no non-audit services provided to the Sub-Funds by the auditor for the year ended 31 December 2024 (2023: Nil).

16. SEGMENT INFORMATION

The Manager makes the strategic resource allocations on behalf of the Sub-Funds and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that each Sub-Fund is a single operating segment which is investing in securities to achieve the investment objectives of the Sub-Funds. The objective of the Sub-Funds are to provide investment results that, before deduction of fees and expenses, closely correspond to the daily performance of the Index.

The internal financial information used by the Manager for the Sub-Funds' assets, liabilities and performance is the same as that disclosed in the statement of net assets and the statement of profit or loss and other comprehensive income.

The Sub-Funds are domiciled in Hong Kong. The majority of the Sub-Funds' income is derived from investments in securities of the tracked Index.

The Sub-Funds have no assets and no liabilities classified as non-current.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 16 April 2025.

CSOP LEVERAGED AND INVERSE SERIES II

INVESTMENT PORTFOLIO (UNAUDITED)

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product

As at 31 December 2024

					Holdings Units	Market value US\$	% of net assets
<u>Financial assets at fair value through profit or loss</u>							
<u>Listed investment funds</u>							
Hong Kong							
CSOP US Dollar Money Market ETF					7,000	812,176	6.23
CSOP US Dollar Money Market ETF- (Unlisted Share Class A)					852,578	989,246	7.58
						<u>1,801,422</u>	<u>13.81</u>
<u>Financial liabilities at fair value through profit or loss</u>							
	Underlying assets	Counterparty	Expiration date	Contracts		Market value US\$	% of net assets
<u>Futures contracts</u>							
The United States of America							
NASDAQ 100 E- MINI 21/03/2025	NASDAQ 100 Index	BNP PARIBAS MLA	21 March 2025	61		(1,421,734)	(10.90)
						<u>(1,421,734)</u>	<u>(10.90)</u>
Total investments, at fair value						<u>379,688</u>	<u>2.91</u>
Total investments, at cost						<u>1,595,607</u>	

CSOP LEVERAGED AND INVERSE SERIES II

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

CSOP Gold Futures Daily (2x) Leveraged Product

As at 31 December 2024

				Holdings Units	Market value US\$	% of net assets
<u>Financial assets at fair value through profit or loss</u>						
<u>Listed investment funds</u>						
Hong Kong						
CSOP US Dollar Money Market ETF				136,944	15,888,941	14.58
					<u>15,888,941</u>	<u>14.58</u>
	Underlying assets	Counterparty	Expiration date	Contracts	Market value US\$	% of net assets
<u>Futures swap contracts</u>						
The United States of America						
GOLD 100 OZ FUTURE 26/02/2025	Solactive Gold 1-Day Rolling Futures Index	Citigroup Global Markets Limited	26 February 2025	550	704,000	0.64
					<u>704,000</u>	<u>0.64</u>
<u>Financial liabilities at fair value through profit or loss</u>						
	Underlying assets	Counterparty	Expiration date	Contracts	Market value US\$	% of net assets
<u>Futures contracts</u>						
The United States of America						
GOLD 100 OZ FUTURE 26/02/2025	Solactive Gold 1-Day Rolling Futures Index	BNP PARIBAS MLA	26 February 2025	60	(238,980)	(0.22)
GOLD 100 OZ FUTURE 26/02/2025	Solactive Gold 1-Day Rolling Futures Index	Citigroup Global Markets Limited	26 February 2025	215	(328,360)	(0.30)
					<u>(567,340)</u>	<u>(0.52)</u>
Total investments, at fair value					<u>16,025,601</u>	<u>14.70</u>
Total investments, at cost					<u>15,161,751</u>	

CSOP LEVERAGED AND INVERSE SERIES II

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

CSOP CSI 300 Index Daily (2x) Leveraged Product

As at 31 December 2024

					Holdings Units	Fair value RMB	% of net assets
<u>Financial assets at fair value through profit or loss</u>							
<u>Listed investment funds</u>							
Hong Kong							
CSOP RMB Money Market ETF					37,680	6,252,996	0.96
CSOP RMB Money Market ETF- (Unlisted Share Class A)					6,721,107	74,482,637	11.46
CSOP US Dollar Money Market ETF- (Unlisted Share Class A)					9,605,145	81,339,885	12.52
						<u>162,075,518</u>	<u>24.94</u>
	Expiration date	Position	Underlying assets	Counterparty	Notional amount	Fair value RMB	% of net assets
<u>Forward contracts</u>							
Buy Renminbi/ Sell United States Dollars	27 January 2025	Long	Currency	Citibank, N.A., Hong Kong	175,320,000	<u>507,339</u> <u>507,339</u>	<u>0.08</u> <u>0.08</u>
<u>Financial liabilities at fair value through profit or loss</u>							
		Position	Underlying assets	Counterparty	Contracts	Fair value RMB	% of net assets
<u>Total return swaps contracts</u>							
Total Return Swap (CGML)		Long	CSI 300 Index	Citigroup Global Markets Limited	83,707	(5,369,380)	(0.83)
Total Return Swap (JPM)		Long	CSI 300 Index	JP Morgan Chase & Co	40,000	(2,565,600)	(0.39)
Total Return Swap (HSBC)		Long	CSI 300 Index	HSBC Hong Kong	34,083	(2,186,084)	(0.34)
Total Return Swap (CICC)		Long	CSI 300 Index	CICC Financial Trading Limited	173,551	<u>(11,132,411)</u> <u>(21,253,475)</u>	<u>(1.71)</u> <u>(3.27)</u>
Total investments, at fair value						<u>141,329,382</u>	<u>21.75</u>
Total investments, at cost						<u>159,056,760</u>	

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product

For the year ended 31 December 2024

	% of net assets	
	2024	2023
<u>Financial assets at fair value through profit or loss</u>		
Listed investment funds		
Hong Kong	13.81	11.16
Futures contracts		
The United States of America	—	6.44
<u>Financial liabilities at fair value through profit or loss</u>		
Futures contracts		
The United States of America	(10.90)	—
Total investments and derivative financial instruments	2.91	17.60
Other net assets	97.09	82.40
Total net assets	100.00	100.00

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

CSOP Gold Futures Daily (2x) Leveraged Product

For the year ended 31 December 2024

	% of net assets	
	2024	2023
<u>Financial assets at fair value through profit or loss</u>		
Listed investment funds		
Hong Kong	14.58	18.46
Futures contracts		
The United States of America	—	2.90
Futures swap contracts		
The United States of America	0.64	0.91
<u>Financial liabilities at fair value through profit or loss</u>		
Futures contracts		
The United States of America	(0.52)	(0.01)
Total investments and derivative financial instruments	14.70	22.26
Other net assets	85.30	77.74
Total net assets	100.00	100.00

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

CSOP CSI 300 Index Daily (2x) Leveraged Product

For the year ended 31 December 2024

	% of net assets	
	2024	2023
<u>Financial assets at fair value through profit or loss</u>		
Listed investment funds		
Hong Kong	24.94	9.48
Forward contracts		
Hong Kong	0.08	0.32
Total return swaps contracts		
China	—	5.42
<u>Financial liabilities at fair value through profit or loss</u>		
Total return swaps contracts		
China	(3.27)	—
Total investments and derivative financial instruments	21.75	15.22
Other net assets	78.25	84.78
Total net assets	100.00	100.00

CSOP LEVERAGED AND INVERSE SERIES II

HOLDINGS OF COLLATERAL (UNAUDITED)

CSOP CSI 300 Index Daily (2x) Leveraged Product

As at 31 December 2024

Collateral provider	Nature of the collateral	Credit rating	Rating agencies	Maturity tenor	Currency denomination	% of net asset value covered by collateral	Value of the collateral
						%	RMB
Citigroup Global Markets Limited	Cash	N/A	N/A	N/A	US\$	0.49	3,211,585
HSBC Bank PLC	Cash	N/A	N/A	N/A	US\$	0.34	2,189,717
JP Morgan Securities PLC	Cash	N/A	N/A	N/A	US\$	0.30	1,970,746
							<u>7,372,048</u>

Custody/safe-keeping arrangement

Amount of collateral received/held 31 December 2024 RMB	Proportion of collateral posted by the sub-fund 31 December 2024 %
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Custodians of collateral

Pooled accounts

Citibank, N.A, Hong Kong Branch	7,372,048	100.00
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CSOP LEVERAGED AND INVERSE SERIES II

PERFORMANCE RECORD (UNAUDITED)

NET ASSET VALUE

	Dealing net asset value	Dealing net asset value per unit
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u>		
As at 31 December 2024	US\$13,046,115	US\$3.2453
As at 31 December 2023	US\$15,345,308	US\$2.3902
As at 31 December 2022	US\$9,195,141	US\$1.1465
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
As at 31 December 2024	US\$109,009,142	US\$1.4612
As at 31 December 2023	US\$164,723,198	US\$1.0334
As at 31 December 2022	US\$193,672,596	US\$0.9127
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
As at 31 December 2024	RMB649,988,020	RMB3.5714
As at 31 December 2023	RMB206,667,668	RMB3.0572
As at 31 December 2022	RMB203,327,583	RMB4.4984

CSOP LEVERAGED AND INVERSE SERIES II

PERFORMANCE RECORD (UNAUDITED) (CONTINUED)

HIGHEST ISSUE PRICE AND LOWEST REDEMPTION PRICE PER UNIT

	Highest issue price per unit	Lowest redemption price per unit
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2024	US\$3.6241	US\$2.2363
For the year ended 31 December 2023	US\$2.4178	US\$1.1056
For the year ended 31 December 2022	US\$2.9130	US\$1.0963
For the year ended 31 December 2021	US\$2.9812	US\$1.7155
For the period from 14 May 2020 (date of commencement of operations) to 31 December 2020	US\$1.9056	US\$0.9971
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2024	US\$1.6841	US\$0.9483
For the year ended 31 December 2023	US\$1.1094	US\$0.8282
For the year ended 31 December 2022	US\$1.2333	US\$0.7441
For the year ended 31 December 2021	US\$1.2035	US\$0.8759
For the period from 4 June 2020 (date of commencement of operations) to 31 December 2021	US\$1.3874	US\$0.9527
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2024	RMB4.3286	RMB2.4320
For the year ended 31 December 2023	RMB5.2272	RMB2.8331
For the year ended 31 December 2022	RMB8.1407	RMB3.8067
For the period from 24 July 2020 (date of commencement of operations) to 31 December 2021	RMB11.5661	RMB7.0000

CSOP LEVERAGED AND INVERSE SERIES II

PERFORMANCE RECORD (UNAUDITED) (CONTINUED)

COMPARISON OF THE SCHEME PERFORMANCE AND THE ACTUAL INDEX PERFORMANCE

The table below illustrates the comparison between the Sub-Funds' performances (market-to-market) and that of the Index:

	Sub-Fund performance %	Index performance %
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2024	35.88	24.88
For the year ended 31 December 2023	108.94	53.81
For the year ended 31 December 2022	(59.23)	(32.97)
For the year ended 31 December 2021	49.99	26.63
For the period from 14 May 2020 (date of commencement of operations) to 31 December 2020	90.41	41.51
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2024	41.42	20.34
For the year ended 31 December 2023	13.24	7.25
For the year ended 31 December 2022	(8.59)	(2.73)
For the year ended 31 December 2021	(11.85)	(4.26)
For the period from 4 June 2020 (date of commencement of operations) to 31 December 2021	18.90	10.67
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2024	17.07	14.68
For the year ended 31 December 2023	(31.93)	(11.38)
For the year ended 31 December 2022	(44.74)	(21.63)
For the period from 24 July 2020 (date of commencement of operations) to 31 December 2021	5.35	9.65

CSOP LEVERAGED AND INVERSE SERIES II

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product

	Financial year/period ended	Gross exposure			Net exposure		
		Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
Futures Contracts	31 December 2024	199.75%	195.16%	197.82%	199.75%	195.16%	197.82%
Futures Contracts	31 December 2023	200.22%	194.40%	198.45%	200.22%	194.40%	198.45%
Futures Contracts	31 December 2022	200.14%	183.16%	196.29%	200.14%	183.16%	196.29%

CSOP Gold Futures Daily (2x) Leveraged Product

	Financial year/period ended	Gross exposure			Net exposure		
		Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
Futures Contracts and futures swap contracts	31 December 2024	200.48%	199.35%	199.90%	200.48%	199.35%	199.90%
Futures Contracts and futures swap contracts	31 December 2023	200.33%	199.51%	199.94%	200.33%	199.51%	199.94%
Futures Contracts and futures swap contracts	31 December 2022	200.68%	196.53%	199.78%	200.68%	196.53%	199.78%

CSOP CSI 300 Index Daily (2x) Leveraged Product

	Financial year/period ended	Gross exposure			Net exposure		
		Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
Total return Swap future contracts and forward contracts	31 December 2024	201.98%	199.53%	200.08%	201.98%	199.53%	200.08%
Total return Swap future contracts and forward contracts	31 December 2023	200.77%	199.61%	200.10%	200.77%	199.61%	200.10%
Total return Swap future contracts and forward contracts	31 December 2022	200.81%	199.11%	199.93%	200.81%	199.11%	199.93%

CSOP LEVERAGED AND INVERSE SERIES II

DETAILS IN RESPECT OF SWAP FEES FOR FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

CSOP Gold Futures Daily (2x) Leveraged Product

The Sub-Fund will bear the swap fees, which include all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparties based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus SOFR which reflects the brokerage commission and the swap counterparties' cost of financing the underlying hedge.

The Sub-Fund shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). Swap fees are accrued daily and spread out over the month. No unwinding fee is payable for the swap transactions.

For the year ended 31 December 2024, swap fees of the Sub-Fund was US\$379,672* (2023: US\$354,035*).

CSOP CSI 300 Index Daily (2x) Leveraged Product

The Sub-Fund will bear the swap fees, which includes all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparties based on the actual market circumstances on a case-by-case basis. The swap fees represent a variable spread (which can be positive or negative) plus SHIBOR which reflects the brokerage commission and the swap counterparties' cost of financing the underlying hedge.

The Sub-Fund shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). Swap fees are accrued daily and spread out over the month.

For the year ended 31 December 2024, swap fees of the Sub-Fund was RMB18,751,472* (2023: RMB23,196,725*).

*A positive figure denotes the fee that the Sub-Fund pays to the swap counterparties. A negative figure denotes the fee that the swap counterparties pay to the Sub-Fund.

CSOP LEVERAGED AND INVERSE SERIES II

MANAGEMENT AND ADMINISTRATION

Manager

CSOP Asset Management Limited
2801-2803 & 3303-3304
Two Exchange Square
8 Connaught Place
Central
Hong Kong

Directors of the Manager

Chen Ding
Gaobo Zhang (resigned on 25 March 2025)
Huachen Zhang (appointed on 25 March 2025)
Li Chen (appointed on 25 March 2025)
Qin Wang (appointed on 25 March 2025)
Xiaosong Yang
Yi Zhou
Yundong Zhu (resigned on 25 March 2025)
Zhiwei Liu (resigned on 25 March 2025)
Zhongping Cai

Registrar

Computershare Hong Kong Investor Services Limited
46/F, Hopewell Centre
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Wanchai
Hong Kong

Legal Counsel to the Manager

Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

Auditor

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

Administrator and Custodian

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50/F., Champion Tower
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Trustee

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50/F., Champion Tower
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