



嘉實國際資產管理

Harvest Global Investments

HARVEST FUNDS SERIES (HONG KONG) ETF OFC

(A PUBLIC UMBRELLA OPEN-ENDED FUND COMPANY
INCORPORATED IN HONG KONG)

HARVEST BITCOIN SPOT ETF

HARVEST ETHER SPOT ETF

(EACH A SUB-FUND OF HARVEST FUNDS SERIES (HONG
KONG) ETF OFC)

ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2024

HARVEST FUNDS SERIES (HONG KONG) ETF OFC
(A public umbrella open-ended fund company incorporated in Hong Kong)

FOR THE YEAR ENDED 31 DECEMBER 2024

HARVEST BITCOIN SPOT ETF
(A Sub-Fund of Harvest Funds Series (Hong Kong) ETF OFC)

FOR THE PERIOD FROM 29 APRIL 2024 (DATE OF INCEPTION) TO
31 DECEMBER 2024

HARVEST ETHER SPOT ETF
(A Sub-Fund of Harvest Funds Series (Hong Kong) ETF OFC)

FOR THE PERIOD FROM 29 APRIL 2024 (DATE OF INCEPTION) TO
31 DECEMBER 2024

REPORTS AND FINANCIAL STATEMENTS

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
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**HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
REPORT OF THE MANAGER TO THE SHAREHOLDERS**

Harvest Bitcoin Spot ETF

Market Overview

2024 has been a pivotal year for the cryptocurrency market, marking significant milestones and transformative changes. The year began with the approval of spot Bitcoin ETFs in the United States in January, a breakthrough that attracted substantial institutional investments and signaled a growing trust in cryptocurrency-backed assets. This momentous development accelerated the acceptance of virtual assets by mainstream investors, including asset managers, and highlighted the increasing convergence of traditional finance and the crypto industry. The approval of Hong Kong's cryptocurrency ETFs in April further broadened global acceptance, cementing the role of cryptocurrencies in the global financial landscape. In July 2024, spot Ethereum ETFs also launched in US, solidify Ethereum's ground as the second cryptocurrency accepted by mainstream investors.

In addition to these regulatory advancements, bitcoin experienced a notable event in April 2024 with its fourth halving, reducing its block rewards and increasing its scarcity. This event contributed to the growing perception of bitcoin as a store of value. Meanwhile, the U.S. Federal Reserve's decision to cut interest rates three times—by a total of 100 bps—from September to December diminished the appeal of traditional assets. As inflation concerns lingered, investors turned to alternative investments, with cryptocurrencies, especially Bitcoin and Ethereum emerging as top choices for hedging against inflation.

The political landscape also played a role in bitcoin's remarkable year. In his bid for re-election, U.S. President Donald Trump expressed clear support for the cryptocurrency market, promising to drive blockchain innovation and provide tax cuts for crypto companies. Following his victory in the election, cryptocurrency prices, including Bitcoin and Ethereum, soared, further propelling cryptocurrencies' price towards new all-time highs. By December 2024, Bitcoin had surpassed \$100,000, marking a historic milestone and underscoring the growing legitimacy and importance of cryptocurrency in the financial ecosystem. The Bitcoin price grew 118.47% and Ethereum price grew 42.62% in 2024.

Investment Strategy & Outlook

The investment outlook for Bitcoin ETFs looks increasingly positive, bolstered by a more supportive environment. With newly elected U.S. President Donald Trump vowing to make America the "crypto capital of the planet" and planning a strategic bitcoin reserve, the future of bitcoin as a legitimate asset class appears more secure.

In addition, the relatively lighter supervision in the market creates a favourable environment for growth, allowing the cryptocurrency space to mature. As cryptocurrencies gain recognition as significant assets, these recognitions support further positions bitcoin as a store of value, aligning it with traditional assets like gold and foreign currencies. They are expected to play an important role as a diversified asset within multi-asset portfolios.

The launch of cryptocurrency ETFs marks a critical milestone in the maturation of the crypto industry. These ETFs help mitigate some of the inherent risks in cryptocurrencies, such as custody and security concerns, making them more appealing to conservative investors. This opens the door for investors who are cautious of the high volatility associated with cryptocurrencies but still wish to gain exposure to this emerging asset class. As a result, we can expect a continued inflow of capital into cryptocurrency ETFs.

In the future, cryptocurrency ETFs will be essential in asset allocation strategies, providing investors with an accessible and secure way to gain exposure to the growing cryptocurrency market.

**HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)**

REPORT OF THE CUSTODIAN TO THE SHAREHOLDERS

We hereby confirm that, in our opinion, Harvest Global Investments Limited, the Manager of Harvest Funds Series (Hong Kong) ETF OFC (the “Company”) has, in all material respects, managed the Company, in accordance with the provisions of the OFC’s Instrument of Incorporation.

On behalf of
BOCI-Prudential Trustee Limited (the “Custodian”)
29 April 2025

Independent Auditor's Report

To the Shareholders of Harvest Funds Series (Hong Kong) ETF OFC, Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF (incorporated in Hong Kong with limited liability)

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of Harvest Funds Series (Hong Kong) ETF OFC (the “Company”), Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF (each a separate sub-fund of the Company and referred to as the “Sub-Funds”), which are set out on pages 8 to 36, comprise:

- the statement of financial position of the Company and each of the Sub-Funds as at 31 December 2024;
- the statement of comprehensive income for the year then ended of the Company and for the period from 29 April 2024 (date of inception) to 31 December 2024 of each of the Sub-Funds;
- the statement of changes in net assets attributable to shareholders for the year then ended of the Company and for the period from 29 April 2024 (date of inception) to 31 December 2024 of each of the Sub-Funds;
- the statement of cash flows for the year then ended of the Company and for the period from 29 April 2024 (date of inception) to 31 December 2024 of each of the Sub-Funds; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company and each of the Sub-Funds as at 31 December 2024, the Company's financial performance and its cash flows for the year then ended, and each of the Sub-Funds' financial performance and cash flows for the period from 29 April 2024 (date of inception) to 31 December 2024 in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company and each of the Sub-Funds in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Independent Auditor's Report

To the Shareholders of Harvest Funds Series (Hong Kong) ETF OFC, Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF (Continued)
(incorporated in Hong Kong with limited liability)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF of the current period. 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.

The key audit matter identified in our audit, in respect of Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF, is summarised as follows:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><u>Existence and ownership of digital assets</u></p> <p><u>Harvest Bitcoin Spot ETF</u> As at 31 December 2024, the Sub-Fund had digital assets that are measured at fair value less costs to sell of US\$34,860,903.</p> <p><u>Harvest Ether Spot ETF</u> As at 31 December 2024, the Sub-Fund had digital assets that are measured at fair value less costs to sell of US\$9,570,536.</p> <p>Digital assets represented the principal elements of each of the Sub-Funds' net assets attributable to the shareholders. The Sub-Funds involved a custodian (the "Custodian") to perform book-keeping function. Further, the digital assets of each of the Sub-Funds are transacted and held in wallets safekept by a sub-custodian (the "Sub-Custodian").</p> <p>Digital assets, such as Bitcoin and Ether, are transferable digital representations on blockchains.</p> <p>Digital assets are subject to higher risks of potential misappropriation, unauthorised or loss of access to the digital assets, resulting in heightened risk for existence and ownership.</p> <p>Given the risks involved in digital assets, we focus on auditing the existence and ownership of digital assets and spent significant audit effort in determining the nature and extent of the procedures to be performed to address the risks.</p>	<p>Our work to address the existence and ownership of digital assets involved the following procedures that are relevant for each of the Sub-Funds, amongst others:</p> <ul style="list-style-type: none"> Obtained an understanding and performed an evaluation of the Sub-Funds' process and controls over acquisition, disposal, and safekeeping of digital assets by reviewing policies, procedures and custodian agreements and through discussions with the Sub-Funds' Manager, the Custodian and the Sub-Custodian. Tested the Sub-Funds' control over the daily reconciliation of digital asset transactions and balances recorded by the Custodian with the account statements provided by the Sub-Custodian on a sampling basis. Developed an understanding of the control environment and underlying control activities and objectives relevant to our audit of the Sub-Funds by obtaining the respective service organisation internal control reports provided by the Custodian and Sub-Custodian, which outlined the controls in place over digital assets to ensure their existence and ownership. Evaluated the independent service auditors' assurance reports over the design and operating effectiveness of those controls, including but not limited to key lifecycle management, wallet management, reconciliation of digital assets for segregated customer account records, and completeness and accuracy of account statements detailing clients transactions and balances, taking into consideration of the testing undertaken, results and opinions formed by the service auditors to the extent relevant to the audit.

Independent Auditor's Report

To the Shareholders of Harvest Funds Series (Hong Kong) ETF OFC, Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF (Continued)
(incorporated in Hong Kong with limited liability)

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Refer to note 6 and 7 to the financial statements.	<ul style="list-style-type: none"> Tested the existence and ownership of digital assets by obtaining confirmations directly from the Custodian and Sub-Custodian and agreeing the Sub-Funds' holdings to the confirmations. Tested purchases and sales of digital assets on a sample basis during the period to relevant supporting documents and performed reconciliation of the digital assets movements to the period-end balances.
Based on the procedures we performed, we considered the existence and ownership of digital assets were supported by evidence obtained.	

Other Information

The Directors and the Manager of the Company and each of the Sub-Funds are responsible for the other information. The other information comprises all of 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 Directors and the Manager for the Financial Statements

The Directors and the Manager of the Company and each of the Sub-Funds are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the Directors and the Manager 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 Directors and the Manager are responsible for assessing the Company's and each of 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 Directors and the Manager either intend to liquidate the Company and each of the Sub-Funds or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

To the Shareholders of Harvest Funds Series (Hong Kong) ETF OFC, Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF (Continued)
(incorporated in Hong Kong with limited liability)

Responsibilities of Directors and the Manager for the Financial Statements (Continued)

In addition, the Directors and the Manager are required to ensure that the financial statements of the Company and each of the Sub-Funds have been properly prepared in accordance with the relevant disclosure provisions of the Instrument of Incorporation of Harvest Funds Series (Hong Kong) ETF OFC dated 3 August 2022 (the "Instrument of Incorporation of Harvest Funds Series (Hong Kong) ETF OFC"), Part 7 of the Securities and Futures (Open-ended Fund Companies) Rules ("OFC Rules"), Appendix E of the Code on Unit Trusts and Mutual Funds ("UT Code") and Chapter 9 of the Code on Open-Ended Fund Companies ("OFC Code") issued by the Hong Kong Securities and Futures Commission.

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. We report our opinion solely to you, as a body, in accordance with Section 153 of the OFC Rules, 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 Company and each of the Sub-Funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Instrument of Incorporation of Harvest Funds Series (Hong Kong) ETF OFC, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 Company's and each 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 Directors and the Manager.
- Conclude on the appropriateness of the Directors' and the Managers' 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 Company's and each of the Sub-Funds' 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 Company and each of the Sub-Funds to cease to continue as a going concern.
- 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.

Independent Auditor's Report

To the Shareholders of Harvest Funds Series (Hong Kong) ETF OFC, Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF (Continued)
(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the Directors and the Manager 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 Directors and the Manager 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 Directors and the Manager, we determine those matters that were of most significance in the audit of the financial statements of Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF of the current period 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.

Report on matters under the relevant disclosure provisions of the Instrument of Incorporation of Harvest Funds Series (Hong Kong) ETF OFC, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code

In our opinion, the financial statements of the Company and each of the Sub-Funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Instrument of Incorporation of Harvest Funds Series (Hong Kong) ETF OFC, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Hui Wing Yee.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 April 2025

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	Harvest Funds Series (Hong Kong) ETF OFC 31 December 2024	Harvest Funds Series (Hong Kong) ETF OFC 31 December 2023	Harvest Bitcoin Spot ETF 31 December 2024	Harvest Ether Spot ETF 31 December 2024
		US\$	US\$	US\$	US\$
ASSETS					
Cash and cash equivalents	12(e)	-	-	125,917	51,545
Digital assets	7(g)	-	-	34,860,903	9,570,536
Management fee rebate receivable	12(a)	-	-	-	27,078
Total assets		-	-	34,986,820	9,649,159
LIABILITIES					
Management fee payable	12(a)	-	-	9,961	2,691
Custodian fee payable	12(b)	-	-	16,781	4,117
Administration fee payable	12(d)	-	-	15,000	15,000
Audit fee payable		-	-	40,000	40,000
Other accounts payables		-	-	22,546	13,506
Total liabilities		-	-	104,288	75,314
EQUITY					
Net assets attributable to shareholders	3	-	-	34,882,532	9,573,845

For and on behalf of

Harvest Funds Series (Hong Kong) ETF OFC
Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF
as the Directors

Harvest Global Investments Limited
as the Manager

The notes on pages 13 to 36 form an integral part of these financial statements.

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
STATEMENT OF COMPREHENSIVE INCOME

For the year/period ended 31 December 2024

		Harvest Funds Series (Hong Kong) ETF OFC	Harvest Funds Series (Hong Kong) ETF OFC	Harvest Bitcoin Spot ETF	Harvest Ether Spot ETF
		For the year ended 31 December 2024 US\$	For the year ended 31 December 2023 US\$	For the period from 29 April 2024 (date of inception) to 31 December 2024 US\$	For the period from 29 April 2024 (date of inception) to 31 December 2024 US\$
	<i>Notes</i>				
INCOME					
Net gain on digital assets	8	-	-	14,299,289	1,067,211
Interest income	12(e)	-	-	175	64
Management fee rebate	12(a)	-	-	-	69,437
Net foreign exchange losses		-	-	(2)	-
Total income		-	-	14,299,462	1,136,712
EXPENSES					
Management fee	12(a)	-	-	(18,751)	(4,808)
Audit fee		-	-	(40,000)	(40,000)
Administration fees	12(d)	-	-	(40,473)	(40,167)
Custodian fee	12(b)	-	-	(54,553)	(9,888)
Registrar fees	12(c)	-	-	(4,004)	(4,504)
Establishment expenses		-	-	(5,000)	(5,000)
Transaction handling fee	10, 12(c)	-	-	(105)	(135)
Legal and professional fees		-	-	(3,722)	(172)
Other operating expenses		-	-	(29,789)	(22,601)
Total expenses		-	-	(196,397)	(127,275)
Profit before tax		-	-	14,103,065	1,009,437
Taxation	9	-	-	-	-
Total comprehensive income for the year/period		-	-	14,103,065	1,009,437

The notes on pages 13 to 36 form an integral part of these financial statements.

HARVEST BITCOIN SPOT ETF**HARVEST ETHER SPOT ETF****(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)****STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS***For the year/period ended 31 December 2024*

		Harvest Funds Series (Hong Kong) ETF OFC	Harvest Funds Series (Hong Kong) ETF OFC	Harvest Bitcoin Spot ETF	Harvest Ether Spot ETF
		For the year ended 31 December 2024 US\$	For the year ended 31 December 2023 US\$	For the period from 29 April 2024 (date of inception) to 31 December 2024 US\$	For the period from 29 April 2024 (date of inception) to 31 December 2024 US\$
	<i>Notes</i>				
Net assets attributable to shareholders at the beginning of the year/period		-	-	-	-
		-----	-----	-----	-----
Issue of shares during the year/period		-	-		
- In-kind		-	-	45,882,940	7,100,000
- In Cash		-	-	24,998,519	9,577,254
Redemption of shares during the year/period		-	-		
- In-kind		-	-	(42,325,520)	(5,307,300)
- In Cash		-	-	(7,776,472)	(2,805,546)
		-----	-----	-----	-----
Net issues of shares		-	-	20,779,467	8,564,408
		-----	-----	-----	-----
Total comprehensive income for the year/period		-	-	14,103,065	1,009,437
		=====	=====	=====	=====
Net assets attributable to shareholders at the end of the year/period	3	-	-	34,882,532	9,573,845
		=====	=====	=====	=====
		Shares	Shares	Shares	Shares
Number of shares in issue at the beginning of the year/period		-	-	-	-
Issue of shares during the year/period		-	-	70,800,000	17,200,000
Redemption of shares during the year/period		-	-	(47,900,000)	(8,200,000)
		-----	-----	-----	-----
Number of shares in issue at the end of the year/period	3	-	-	22,900,000	9,000,000
		=====	=====	=====	=====

The notes on pages 13 to 36 form an integral part of these financial statements.

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
STATEMENT OF CASH FLOWS

For the period from 29 April 2024 (date of inception) to 31 December 2024

	Harvest Funds Series (Hong Kong) ETF OFC		Harvest Bitcoin Spot ETF	Harvest Ether Spot ETF
	For the year ended 31 December 2024 US\$	For the year ended 31 December 2023 US\$	For the period from 29 April 2024 (date of inception) to 31 December 2024 US\$	For the period from 29 April 2024 (date of inception) to 31 December 2024 US\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	-	-	14,103,065	1,009,437
Adjustment for:				
Interest income	-	-	(175)	(64)
Net foreign exchange losses	-	-	2	-
	<hr/>	<hr/>	<hr/>	<hr/>
Operating cash flows before movements in working capital	-	-	14,102,892	1,009,373
Increase in digital assets	-	-	(31,303,483)	(7,777,836)
Increase in management fee rebate receivable	-	-	-	(27,078)
Increase in management fee payable	-	-	9,961	2,691
Increase in audit fee payable	-	-	40,000	40,000
Increase in other accounts payables	-	-	54,327	32,623
	<hr/>	<hr/>	<hr/>	<hr/>
Cash used in operations	-	-	(17,096,303)	(6,720,227)
Interest received	-	-	175	64
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash flow used in operating activities	-	-	(17,096,128)	(6,720,163)
	<hr/>	<hr/>	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received on issue of shares	-	-	24,998,519	9,577,254
Cash paid on redemption of shares	-	-	(7,776,472)	(2,805,546)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash flows generated from financing activities	-	-	17,222,047	6,771,708
	<hr/>	<hr/>	<hr/>	<hr/>

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
STATEMENT OF CASH FLOWS (Continued)

For the period from 29 April 2024 (date of inception) to 31 December 2024

	Harvest Funds Series (Hong Kong) ETF OFC		Harvest Bitcoin Spot ETF	Harvest Ether Spot ETF
	For the year ended 31 December 2024	For the year ended 31 December 2023	For the period from 29 April 2024 (date of inception) to 31 December 2024	For the period from 29 April 2024 (date of inception) to 31 December 2024
	US\$	US\$	US\$	US\$
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	-	125,919	51,545
Cash and cash equivalents at the beginning of the year/period	-	-	-	-
Net foreign exchange losses	-	-	(2)	-
Cash and cash equivalents at the end of the year/period	-	-	125,917	51,545
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS				
Cash at banks	-	-	125,917	51,545

Please refer to note 4 for details of major non-cash transactions

The notes on pages 13 to 36 form an integral part of these financial statements.

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Harvest Funds Series (Hong Kong) ETF OFC (the “Company”) is a public umbrella open-ended fund company with variable capital with limited liability, which was incorporated in Hong Kong under the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) on 3 August 2022. The Company is constituted by way of its Instrument of Incorporation filed to the Companies Registry of Hong Kong on, and effective as of, 3 August 2022.

The Company is registered with the Securities and Futures Commission of Hong Kong (the “SFC”) under Section 112D of the SFO. The Company is authorised as a collective investment scheme by the SFC under Section 104 of the SFO and each sub-fund falls within Chapter 8.6 of the Code on Unit Trusts and Mutual Funds (the “SFC Code”) issued by the SFC.

The manager of the Company is Harvest Global Investments Limited (the “Manager”) and the custodian is BOCI-Prudential Trust Limited (the “Custodian”). The virtual asset sub-custodian (the “Sub-Custodian”) appointed by the Custodian is OSL Digital Securities Limited (“OSL”).

As at 31 December 2024, the Company has two sub-funds which are Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF (each a “Sub-Fund”, collectively together as “Sub-Funds”). The date of inception of Harvest Bitcoin Spot ETF (stock code: 9439 (USD counter) and 3439 (HKD counter)) and Harvest Ether Spot ETF (stock code: 9179 (USD counter) and 3179 (HKD counter)) were 29 April 2024 (date of inception). The Sub-Funds are listed on The Stock Exchange of Hong Kong Limited (“SEHK”) on 30 April 2024.

The Sub-Funds are exchange traded funds falling under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds as authorised by the Securities and Futures Commission of Hong Kong (“SFC”). Shares of the Sub-Funds (the “Shares”) are traded on The Stock Exchange of Hong Kong Limited (the “SEHK”) like listed stocks.

Harvest Bitcoin Spot ETF

Harvest Bitcoin Spot ETF’s investment objective is to aim to provide investment results that, before fees and expenses, closely correspond to the performance of the price of bitcoin as reflected by CME CF Bitcoin Reference Rate – APAC Variant for the Bitcoin – USD trading pair (the “BRRAP”). There is no assurance that the Harvest Bitcoin Spot ETF will achieve its investment objective.

In seeking to achieve the investment objective, Harvest Bitcoin Spot ETF will directly invest in bitcoin on certain virtual assets’ trading platforms that are operated by platform operators licensed by the SFC (the “SFC-Licensed VATPs”) and all of Harvest Bitcoin Spot ETF’s bitcoin will be held by OSL.

The Manager will not stake any portion of the bitcoin held by the Sub-Fund.

Harvest Bitcoin Spot ETF may invest up to 100% of its assets in bitcoin and will not invest in other types of investments except that the Sub-Fund may retain a small amount of cash (in HKD or USD) to pay for fees and other expenses and costs associated with the Sub-Fund’s ongoing operations to meet redemption requests.

HARVEST BITCOIN SPOT ETF
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

1 GENERAL INFORMATION (Continued)

Harvest Ether Spot ETF

Harvest Ether Spot ETF's investment objective is to aim to provide investment results that, before fees and expenses, closely correspond to the performance of the price of ether as reflected by CME CF Ether-Dollar Reference Rate - Asia Pacific Variant (the "ETHUSDAP"). There is no assurance that Harvest Ether Spot ETF will achieve its investment objective.

In seeking to achieve the investment objective, Harvest Ether Spot ETF will directly invest in ether on the SFC-Licensed VATPs and all of the Sub-Fund's ether will be held by OSL.

The Manager will not stake any portion of the ether held by the Sub-Fund.

Harvest Ether Spot ETF may invest up to 100% of its assets in ether and will not invest in other types of investments except that the Sub-Fund may retain a small amount of cash (in HKD or USD) to pay for fees and other expenses and costs associated with Harvest Ether Spot ETF's ongoing operations to meet redemption requests.

Termination of Harvest China Sustainable Lifestyle Tech Active ETF

On 16 October 2024, the directors of the Company decided to exercise its power to terminate Harvest China Sustainable Lifestyle Tech Active ETF (the "Terminated ETF"), a sub-fund under the Company, with effect from 18 December 2024 and voluntarily seek deauthorisation from the SFC and delisting from SEHK. On 18 December 2024, the termination process of the Terminated ETF has been completed. Deauthorisation and delisting of the Terminated ETF is expected to take place within seven calendar months from the date of termination, and the financial statements covered the period from 1 January 2024 to 18 December 2024 (date of termination). The financial statements of the Terminated ETF has been prepared separately.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of the Company and each of the Sub-Funds have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the relevant disclosure provisions of the Instrument of Incorporation and the relevant disclosures of Appendix E of the SFC Code.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the directors and the Manager to exercise its judgment in the process of applying the Company’s and the Sub-Funds’ accounting policies. The areas involving a higher degree of judgement that are significant to the financial statements, are disclosed in Note 5.

Standards and amendments to existing standards effective 1 January 2024

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2024 that have a material effect on the financial statements of the Company and each of the Sub-Funds.

New standards, amendments and interpretations effective after 1 January 2024 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024, and have not been early adopted in preparing these financial statements.

The Company and the Sub-Funds’ assessment of the impact of these new standards and amendments is set out below:

- i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

The International Accounting Standards Board (“IASB”) issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the IASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

- ii) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

The IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to profit or loss.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

New standards, amendments and interpretations effective after 1 January 2024 and have not been early adopted (Continued)

The key new concepts introduced in IFRS 18 relate to:

- the structure of profit or loss with defined subtotals;
- the requirement to determine the most useful structured summary for presenting expenses in profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company and the Sub-Funds are currently still assessing the effect of the forthcoming standards and amendments.

No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Company and the Sub-Funds.

(b) Digital assets

Digital assets held by the Sub-Funds refer to cryptocurrencies such as bitcoin and ether, which are not issued by any government, bank or central organization and that is based on a decentralised public transaction ledger, or "network". The Sub-Funds hold digital assets for the purpose to generate profit from fluctuations in price. The Sub-Funds measure digital assets at its fair value less costs to sell. 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. Costs to sell digital assets inventory are immaterial and no allowance is made for such costs.

Changes in fair value less costs to sell of digital assets are recognised in "net gain on digital assets" in profit or loss. The "net gain on digital assets" is further disaggregated into "change in unrealised gain/loss in value of digital assets" and "net realised gain/loss on sale of digital assets" in note 8. Change in unrealised gain/loss in value of digital assets comprises changes in the fair value less cost to sell of digital assets for the current period and reversal of the prior period's unrealised gain/loss for digital assets which were realised in the current period.

Digital assets is derecognised when they are sold by the Sub-Funds. Net realised gain/loss on sale of digital assets are calculated using the average cost method and are recognised in profit or loss. They represent the difference between the initial carrying amount and disposal amount of the disposed digital assets.

The Sub-Funds' judgement made in determining the accounting policies of digital assets is included in Note 5.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(b) Digital assets (Continued)

Valuation techniques used to value the Sub-Funds' digital assets are as follows:

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.

To determine the principal market for the purpose to measure the fair value of the digital assets of the Sub-Funds, the Manager has made reference to digital assets market to which the Sub-Funds have access with the highest volume and level of activity. The fair value of the digital assets held by the Sub-Funds are measured at the last trading prices of that market at 23:59:59 Hong Kong time.

(c) Management fee rebate

Management rebate receivable is recognised initially at fair value, and subsequently stated at amortised costs using the effective interest method. Any such rebates are disclosed as management fee rebate income in the statement of comprehensive income.

(d) Financial instruments

Recognition

Financial assets and financial liabilities are recognised on the statements of financial position when the Sub-Funds become a party to the contractual provisions of the instrument. The Sub-Funds recognise financial instruments at fair value upon initial recognition, plus transaction costs (where applicable).

Classification

The Sub-Funds classify their financial assets, cash, at amortised cost. The Sub-Funds classify their financial liabilities, accounts payable and accrued liabilities and management fees payable, at amortised cost. The Sub-Funds reclassify financial assets when and only when their business model for managing those assets changes. Financial liabilities are not reclassified.

Impairment of financial assets

Financial assets measured at amortised cost must be depreciated by the amount of expected credit losses. Given the very short maturity of these financial assets and the financial strength of the counterparties involved, the Manager believes that the risk of loss is very low. For this reason, no impairment was recorded for financial assets measured at amortised cost.

Derecognition

A financial asset is derecognised when 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 asset, but have transferred control of the asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(e) Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method. Interest income represents interest from cash and cash equivalents.

(f) Transactions handling fee

Transactions handling fees are costs incurred to record the acquisition and sale of digital assets by the Custodian. Transactions handling fees, when incurred, are immediately recognised in profit or loss as an expense.

(g) Cash and cash equivalents

Cash and cash equivalents include cash at bank, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

(h) Foreign currencies translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company and the Sub-Funds operate (the “functional currency”). The performance of the Company and the Sub-Funds are measured and reported to the shareholders in US dollar (“US\$”). The directors and the Manager consider US\$ as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in US\$, which is the Company’s and the Sub-Funds’ functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(i) Redeemable shares

The Sub-Funds issue redeemable shares which are redeemable at the holder's option represent puttable financial instruments of the Sub-Funds. The Sub-Funds classify their puttable financial instruments as equity in accordance with IAS 32 (Amendment), "Financial instruments: Presentation" as those puttable financial instruments meet all the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value in the event of the entity's liquidation;
- the puttable financial instruments are the most subordinated shares in issue and share features are identical;
- apart from the contractual obligation for the Sub-Funds to repurchase or redeem the instrument for cash or another financial asset, there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows attributable to the puttable financial instrument over its life are based substantially on the 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 puttable financial instrument.

Shares are issued and redeemed at the holder's option at prices based on the Sub-Funds' net asset value per share at the time of issue or redemption. The Sub-Funds' net asset value per share is calculated by dividing the net assets attributable to shareholders with the total number of outstanding shares. In accordance with the prospectuses of the Sub-Funds, bitcoin and ether positions are valued based on the BRRAP and ETHUSDAP respectively, for the purpose of determining the net asset value per share for subscriptions and redemptions of the Sub-Funds' shares.

BRRAP and ETHUSDAP (together "Index") are daily reference rates of the U.S. dollar price of one bitcoin and one ether, respectively, as of 16:00 Hong Kong time. Each day, the Index aggregate the trade flow of selected exchanges, respectively, during a one hour window from 15:00 to 16:00 Hong Kong time. This one hour window is then partitioned into twelve, five minute intervals, where the Index are calculated as the equally weighted average of the volume weighted medians of all twelve partitions. This method of calculation ensures tradability and replicability in the underlying spot markets.

(j) Taxation

The Sub-Funds are exempt from all forms of taxation in Hong Kong, including income, capital gains and withholding taxes.

(k) Establishment costs

Establishment costs are recognised as an expense in the period in which they are incurred.

(l) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial or operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. Details of related party transactions are disclosed in Note 12.

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3. NUMBER OF SHARES IN ISSUE AND NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

The Sub-Funds' capital is represented by the shares in the Sub-Funds, and shown as "net assets attributable to shareholders" in the statement of financial position. Subscriptions and redemptions of shares of the Sub-Funds during the period from 29 April 2024 (date of inception) to 31 December 2024 are shown in the statement of changes in net assets attributable to shareholders. In order to achieve the investment objectives, the Sub-Funds endeavor to invest their capital in accordance with the investment policies as outlined in Note 7, whilst maintaining sufficient liquidity to meet redemption requests. Such liquidity is augmented by the holding of liquid investments.

In accordance with the provisions of the Sub-Funds' Instrument of Incorporation dated 29 April 2024 and the prospectus dated 24 April 2024, as may be amended and supplemented from time to time, the value of digital assets is based on BRRAP and ETHUSDAP for bitcoin and ether, respectively. The Index are provided by CF Benchmarks Ltd which serve as once-a-day benchmark rate of the price of one bitcoin and one ether in USD calculated as of 16:00 Hong Kong time. The Sub-Funds evaluate the digital assets held by the Sub-Funds as reflected by the Index and determine the net asset value of the Sub-Funds. IFRS Accounting Standards require that fair value measurement to be using the principal market price which has resulted in a difference between the Sub-Funds' NAV measured in accordance with the prospectus and the Sub-Funds' NAV measured in accordance with IFRS Accounting Standards.

As stated in Note 2(i), redeemable shares of the Sub-Funds are classified as equity.

Net assets attributable to shareholders per share of the Sub-Funds are calculated based on the net assets attributable to shareholders divided by the total shares in issue as at 31 December 2024. The detailed breakdowns are as follows:

	Harvest Bitcoin Spot ETF 2024 Shares	Harvest Ether Spot ETF 2024 Shares
Number of shares in issue at the end of the period	22,900,000	9,000,000
	US\$	US\$
Net assets attributable to shareholders (in accordance with IFRS)	34,882,532	9,573,845
Fair value adjustment of shares of the Sub-Funds (note)	(937,013)	(162,623)
Net assets attributable to shareholders (in accordance with Prospectus)	33,945,519	9,411,222
Net assets attributable to shareholders per share at the end of the period (in accordance with IFRS)	1.5233	1.0638
Net assets attributable to shareholders per share at the end of the period (in accordance with Prospectus)	1.4823	1.0457

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3. NUMBER OF SHARES IN ISSUE AND NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (Continued)

Note: The Sub-Funds' prospectus requires the valuation of the digital assets to be valued using the price of the one digital asset in USD at 16:00 Hong Kong time in reference to the BRRAP and ETHUSDAP for bitcoin and ether, respectively,

4. MAJOR NON-CASH TRANSACTIONS

Harvest Bitcoin Spot ETF

Subscription

During the period from 29 April 2024 (date of inception) to 31 December 2024, the Sub-Fund had issued 45,900,000 shares valued at US\$45,882,940 via settlement in bitcoin plus the relevant cash component included in the statement of cash flows.

Redemption

During the period from 29 April 2024 (date of inception) to 31 December 2024, the Sub-Fund had redeemed 41,900,000 shares valued at US\$42,325,520 via settlement in bitcoin plus the relevant cash component included in the statement of cash flows.

Harvest Ether Spot ETF

Subscription

During the period from 29 April 2024 (date of inception) to 31 December 2024, the Sub-Fund had issued 7,100,000 shares valued at US\$7,100,000 via settlement in ether plus the relevant cash component included in the statement of cash flows.

Redemption

During the period from 29 April 2024 (date of inception) to 31 December 2024, the Sub-Fund had redeemed 5,300,000 shares valued at US\$5,307,300 via settlement in ether plus the relevant cash component included in the statement of cash flows.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

5. CRITICAL JUDGEMENTS

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to exercise its judgment in the process of applying the Sub-Funds' accounting policies.

The following are the critical judgements that the Manager has made in the process of applying the Sub-Funds' accounting policies and that have the most significant effects on the amounts recognised in financial statements.

Critical judgements

Accounting for digital assets

The Manager notes that the accounting for digital assets continues to be considered by the IASB and continue to monitor new comments and interpretations released by the IASB.

The Manager is required to determine the IFRS Accounting Standard applicable to the Sub-Funds' digital assets which involve significant judgements. As the digital assets of the Sub-Funds are held for sale in the ordinary course of business, the Manager considers IAS 2 Inventories to be the applicable standard for accounting the digital assets.

The Manager considers that the digital assets held by the Sub-Funds are commodities. The Sub-Funds buy and sell the digital assets when there are subscriptions and redemptions by the participating dealers. The digital assets are acquired with the purpose of selling in the near future and generating a profit from fluctuation in price. Therefore, the Sub-Funds are qualified for commodity broker-traders and measure the digital assets at fair value less costs to sell.

6. DIGITAL ASSET RISKS

Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF invests into bitcoin and ether respectively. As a result, the Sub-Funds are exposed to a variety of digital asset risks as detailed below.

(a) Bitcoin/Ether and bitcoin/ether industry risk

Bitcoin and ether operate without central authority (such as a bank) and are not backed by any government. Bitcoin and ether are relatively new innovations and the market for bitcoin or ether is subject to rapid price swings, changes and uncertainty. The further development and acceptance of the ether network, which is part of a new and rapidly changing industry, is subject to a variety of factors that are difficult to evaluate and unforeseeable. The slowing, stopping or reversing of the development or acceptance of the ether network may adversely affect the price of ether and therefore cause the Sub-Funds to suffer losses.

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6. DIGITAL ASSET RISKS (Continued)

(b) Regulatory risk

The regulation of bitcoin, ether, digital assets and related products and services continues to evolve. There is a trend of increase regulations. Certain regulatory authorities have been examining the operations of digital asset exchanges and service providers, have brought enforcement actions and issued advisories and rules relating to digital asset markets. Regulatory changes or actions may alter the nature of an investment in bitcoin or ether, or restrict the use and exchange of bitcoin or ether or the operations of the bitcoin or ether network or venues on which bitcoin and ether trades in a manner that adversely affects the price of bitcoin and ether. Future regulatory changes could expose the Sub-Funds to potential new costs and expenses and adversely impact the ability of the Sub-Funds to achieve its investment objective.

(c) Cybersecurity risk

Bitcoin and ether are susceptible to theft, loss and destruction. In general, cybersecurity risk can result from deliberate attacks or unintentional events and may arise from external or internal sources. The bitcoin and ether network is also vulnerable to various deliberate cybersecurity attacks for purposes of misappropriating information and assets or causing operational disruption.

(d) Extremely high volatility risk

An investment in bitcoin or ether can be highly volatile compared to investments in traditional securities and an investment in the Sub-Funds may experience sudden and substantial losses. Historically, the price of bitcoin and ether have been extremely volatile and is influenced by, among others, changing investors' confidence in future fluctuations in the price of bitcoin and ether, and other factors contributing to volatility of the price of bitcoin and ether.

(e) Speculative nature risk

Bitcoin and ether are new technological innovations with a limited history. Investing in bitcoin and ether are highly speculative, and market movements are difficult to predict. Supply and demand for bitcoin and ether could change rapidly and are subject to a large variety of factors, including governmental regulations and investors' sentiments.

(f) Difficulties in verifying ownership of bitcoin and ether risk

Given the pseudonymous nature of the bitcoin and ether network, it is difficult to verify the ownership of bitcoin and ether. To the extent that the Sub-Funds are subject to fraud, theft, market manipulation or system failure, it will be difficult for the Sub-Funds to trace the Sub-Funds' bitcoin and ether and have a claim against the bad actors.

(g) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. Currently, the Sub-Funds have their investment highly concentrated in a single asset class, bitcoin and ether, respectively, which is the mandate of the Sub-Funds.

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6. DIGITAL ASSET RISKS (Continued)

(h) Fork risk

Developers may propose modifications to the bitcoin and ether network from time to time. Forks may also occur as a network community's response to a significant security breach.

If the updated bitcoin and ether network is not compatible with the original bitcoin and ether software and a sufficient number (but not necessarily a majority) of users elect not to migrate to the updated bitcoin and ether network, this would result in a "hard fork" of the bitcoin and ether network, with one prong running the earlier version of the bitcoin and ether software and the other running the updated bitcoin and ether software, resulting in the existence of two versions of the bitcoin and ether network running in parallel and a split of the blockchain underlying the bitcoin and ether network. The occurrence of such "fork" may result in an adverse impact on the price and liquidity of bitcoin and ether and the value of the Sub-Funds' investments.

(i) Airdrop risk

A substantial giveaway of bitcoin and ether to participants in the digital assets networks may result in a significant and unexpected declines in the value of bitcoin, ether and the value of the Sub-Funds' investments.

(j) Custody risk

The Sub-Funds has established a custody relationship with OSL for the safekeeping of its digital assets holdings. Under this arrangement, all of the Sub-Fund's bitcoin and ether are held in wallets operated by the Sub-Custodian.

The security procedures in place for the Sub-Funds and by the Sub-Custodian, including but not limited to, placing a substantial portion of digital assets in cold storage, maintaining multiple encrypted private key "shards", and other measures, are reasonably designed to safeguard the Sub-Funds' digital assets. Nevertheless, the security procedures cannot guarantee the prevention of any loss due to a security breach or software defect that may be borne by the Sub-Funds.

The Sub-Funds rely on the Sub-Custodian (through the Custodian) for the safekeeping of the Sub-Funds' bitcoin and ether. If the Sub-Custodian fails to perform the functions for the Sub-Funds, the Sub-Funds may be unable to operate or create or redeem shares, which could force the Sub-Funds to liquidate or adversely affect the price of the shares.

The Custodian may not be able to find a party willing to serve as a Sub-Custodian of the Sub-Funds' bitcoin and ether under the same terms as the current Sub-Custodian agreement or at all. To the extent that the Custodian is not able to find a suitable party willing to serve as a sub-custodian, the Manager may be required to terminate the Sub-Funds and liquidate the Sub-Funds' bitcoin and ether. In addition, to the extent that the Custodian finds a suitable party but must enter into a modified Sub-Custodian agreement that is less favorable for the Sub-Funds, the value of the shares could be adversely affected.

(k) Inadequate sources of recovery risk

Shareholders' recourse against the Company, the Sub-Funds, the Manager, the Custodian and the Sub-Custodian under Hong Kong law may be limited. All bitcoin and ether will be safekept by the Sub-Custodian, as delegated by the Custodian. The liability of the Custodian is limited under the relevant Sub-Custodian agreement. The Sub-Funds themselves and the Custodian do not insure the Sub-Funds' bitcoin and ether holdings.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

6. DIGITAL ASSET RISKS (Continued)

(k) Inadequate sources of recovery risk (Continued)

The Manager does not have the ability to dictate the existence, nature or amount of coverage of a Sub-Custodian's insurance. The Custodian shall ensure that the Sub-Custodian will maintain a compensation arrangement approved by the SFC. However, such compensation arrangement of a Sub-Custodian is shared among all clients of the Sub-Custodian and is not specific to the Sub-Funds. It is therefore possible that the compensation arrangement of the relevant sub-custodian may not be adequate to cover all bitcoin or ether held by that Sub-Custodian on behalf of the account of the Sub-Funds. Consequently, a loss may be suffered with respect to the Sub-Funds' bitcoin and ether which are not covered by insurance/compensation arrangement.

The Sub-Custodian regularly reviews its insurance coverage and considers the present insurance coverage sufficient and appropriate, given the exposure, security installations and risk management which the Sub-Custodian has in place.

7. FINANCIAL RISK MANAGEMENT

(a) Strategy in using financial instruments

The investment objective of the Sub-Funds is to achieve investment result closely correspond to the performance of price of underlying digital assets. The Sub-Funds' activities may expose it to a variety of risks including but not limited to: market price risk, interest rate risk, currency risk, credit and counterparty risk, liquidity risk and digital asset risks which are associated with the markets in which the Sub-Funds invest. The digital assets held by the Sub-Funds are treated as financial instruments for the purposes of financial risk management.

The following is a summary of the main risks and risk management policies.

(b) 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 digital asset or factors affecting all digital assets in the market.

As at 31 December 2024, the investments of Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF were concentrated in the bitcoin and ether respectively. As at 31 December 2024, all digital assets are held by OSL.

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

As at 31 December 2024, for Harvest Bitcoin Spot ETF, if the BRRAP increased by 50% with all other variables held constant, this would increase the operating profit for the year by approximately US\$17,407,605. Conversely, if the BRRAP decreased by 50%, this would decrease the operating profit for the period by an equal amount.

As at 31 December 2024, for Harvest Ether Spot ETF, if the ETHUSDAP increased by 5% with all other variables held constant, this would increase the operating profit for the year by approximately US\$477,823. Conversely, if the ETHUSDAP decreased by 5%, this would decrease the operating profit for the period by an equal amount.

The sensitivity analysis has considered the correlation between the Index and the spot prices of digital assets.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

7. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow.

Harvest Bitcoin Spot ETF

As at 31 December 2024, interest rate risk arises only from cash and cash equivalents of US\$125,917 which is short term in nature. As interest from these interest bearing assets are immaterial, the Manager considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. As a result, the Manager considers sensitivity analysis of interest rate is not necessary to be presented.

Harvest Ether Spot ETF

As at 31 December 2024, interest rate risk arises only from cash and cash equivalents US\$51,545 which is short term in nature. As interest from these interest bearing assets are immaterial, the Manager considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. As a result, the Manager considers sensitivity analysis of interest rate is not necessary to be presented.

(d) Currency risk

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

The Sub-Funds are not exposed to material currency risk arising from balances and transactions in foreign currencies as the majority of their assets and liabilities are denominated in US\$, the Sub-Funds' functional currency. As a result, the Manager considers sensitivity analysis of currency risk is not necessary to be presented.

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

7. FINANCIAL RISK MANAGEMENT (Continued)

(e) Credit and counterparty risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Funds.

For cash and cash equivalents consisting of bank deposits, the Sub-Funds limit their exposure to credit risk by transacting with banks with high credit ratings.

All transactions in digital assets are settled or paid for upon delivery using approved virtual assets trading platform. The risk of default is considered minimal, as delivery of digital assets sold is only made when the virtual assets trading platform operator has received payment. Payment is made on a purchase when the digital assets have been received by the virtual assets trading platform operator. The trade will fail if either party fails to meet its obligation.

The digital assets are held by the Sub-Custodian which operates a virtual assets trading platform. The risk of default is considered minimal.

Harvest Bitcoin Spot ETF

The Sub-Fund's financial assets which are potentially subject to concentration of credit risk consist of bank deposits.

As at 31 December 2024, the Sub-Fund placed cash and cash equivalents of US\$125,917 with Bank of China (Hong Kong) Limited. As at 31 December 2024, the credit rating of the Bank of China (Hong Kong) Limited is at or above investment grade with reference to the rating agencies.

Harvest Ether Spot ETF

The Sub-Fund's financial assets which are potentially subject to concentration of credit risk consist of bank deposits.

As at 31 December 2024, the Sub-Fund placed cash and cash equivalents of US\$51,545 with Bank of China (Hong Kong) Limited. As at 31 December 2024, the credit rating of the Bank of China (Hong Kong) Limited is at or above investment grade with reference to the rating agencies.

The Sub-Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Manager considers both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2024, cash and cash equivalents are held with the counterparty with credit rating at or above investment grade and the credit risk of the management fee rebate receivable is considered as minimal. Applying the requirements of IFRS 9, the expected credit loss is immaterial for the Sub-Funds and, as such, no expected credit loss has been recognised within the financial statements.

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

7. FINANCIAL RISK MANAGEMENT (Continued)

(f) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in settling its liabilities, including a redemption request.

The Sub-Funds are exposed to redemptions at each dealing day. The Sub-Funds invest the majority of their assets in digital assets that are traded in an active market and can be readily realisable.

Harvest Bitcoin Spot ETF

The table below analyses the Sub-Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month US\$	1-3 months US\$	Over 3 months US\$
As at 31 December 2024			
Management fee payable	-	9,961	-
Audit fee payable	-	40,000	-
Other accounts payable	-	54,327	-
	<hr/>	<hr/>	<hr/>
Total financial liabilities	-	104,288	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Sub-Fund shares are redeemed on demand at the holder's option as the holders of these instruments typically retain them for the medium to long term. As at 31 December 2024, there were 3 nominee accounts holding more than 10% of the Sub-Fund's units, representing in aggregate 46.80%.

The Sub-Fund manages its liquidity risk by investing in investments that they expect to be able to liquidate within 1 month or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month US\$	1-3 months US\$	Over 3 months US\$
As at 31 December 2024			
Total assets	34,986,820	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

7. FINANCIAL RISK MANAGEMENT (Continued)

(f) Liquidity risk (Continued)

Harvest Ether Spot ETF

The table below analyses the Sub-Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month US\$	1-3 months US\$	Over 3 months US\$
As at 31 December 2024			
Management fee payable	-	2,691	-
Audit fee payable	-	40,000	-
Other accounts payable	-	32,623	-
	<hr/>	<hr/>	<hr/>
Total financial liabilities	-	75,314	-
	<hr/>	<hr/>	<hr/>

The Sub-Fund shares are redeemed on demand at the holder's option as the holders of these instruments typically retain them for the medium to long term. As at 31 December 2024, there were 2 nominee accounts holding more than 10% of the Sub-Fund's units, representing in aggregate 48.50%.

The Sub-Fund manages its liquidity risk by investing in investments that they expect to be able to liquidate within 1 month or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month US\$	1-3 months US\$	Over 3 months US\$
As at 31 December 2024			
Total assets	9,622,081	27,078	-
	<hr/>	<hr/>	<hr/>

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

7. FINANCIAL RISK MANAGEMENT (Continued)

(g) Fair value estimation

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 fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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 judgment, considering factors specific to the asset or liability.

The Sub-Funds consider observable data to be that market data that is available, regularly distributed or updated, reliable and verifiable, not proprietary, supported by market transactions, and provided by independent sources that are actively involved in the relevant market.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

7. FINANCIAL RISK MANAGEMENT (Continued)

(g) Fair value estimation (Continued)

The following table analyses within the fair value hierarchy the Sub-Funds' assets of which the measurement involves fair value at 31 December 2024:

Harvest Bitcoin Spot ETF

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
As at 31 December 2024				
Digital assets	34,860,903	-	-	34,860,903
Total assets	34,860,903	-	-	34,860,903

Harvest Ether Spot ETF

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
As at 31 December 2024				
Digital assets	9,570,536	-	-	9,570,536
Total assets	9,570,536	-	-	9,570,536

As of 31 December 2024, the Sub-Funds did not hold any instruments classified in level 2 and level 3.

As of 31 December 2024, there was no transfer between levels in the fair value hierarchy of the Sub-Funds.

The assets and liabilities included in the statement of financial position, other than digital assets, are carried at amortised cost. The carrying value of these financial assets and liabilities are considered by the Manager to approximate their values as they are short-term in nature and the effect of discounting is immaterial. There are no other assets and liabilities not at fair value but for which the fair value is disclosed.

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

7. FINANCIAL RISK MANAGEMENT (Continued)

(h) Capital risk management

The capital of the Sub-Funds is represented by the net assets attributable to shareholders. The amount of net assets attributable to shareholders can change significantly as the Sub-Funds is subject to subscriptions and redemptions on every business day at the discretion of shareholders. The Sub-Funds objective when managing capital is to safeguard the Sub-Funds' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Sub-Funds.

In order to maintain or adjust the capital structure, the Sub-Funds policy is to perform the following:

- monitor the level of subscriptions and redemptions relative to the liquid assets; and
- redeem and issue new shares in accordance with the constitutive documents of the Sub-Funds.

The Manager monitors capital on the basis of the value of net assets attributable to shareholders.

8. NET GAIN ON DIGITAL ASSETS

	Harvest Bitcoin Spot ETF For the period from 29 April 2024 (date of inception) to 31 December 2024 US\$	Harvest Ether Spot ETF For the period from 29 April 2024 (date of inception) to 31 December 2024 US\$
Change in unrealised gain in value of digital assets	12,069,152	1,155,409
Net realised gain/(loss) on sale of digital assets	2,230,137	(88,198)
	<u>14,299,289</u>	<u>1,067,211</u>

9. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Funds as it was authorised as collective investment schemes under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

10. TRANSACTION HANDLING COSTS ON DIGITAL ASSETS

Transactions handling costs are costs incurred to record the acquisition and sale of digital assets.

11. DISTRIBUTION

There was no distribution during the period the period from 29 April 2024 (date of inception) to 31 December 2024.

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

12. TRANSACTIONS AND BALANCES WITH THE CUSTODIAN, THE MANAGER AND THEIR CONNECTED PERSONS

Related parties of the Sub-Funds also include the Custodian and the Manager of the Sub-Funds and their connected person. Connected persons of the Manager and the Custodian are those as defined in the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong. All transactions entered into during the period/year between the Sub-Funds and the Custodian, the Manager and their Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of Manager's knowledge, the Sub-Funds did not have any other transactions with the Custodian, the Manager and their Connected Persons except for those disclosed below.

(a) Management fee

Management fee is waived for the first six months from the listing date. Effective from 24 February 2025, the Manager is entitled to receive a management fee, currently at the rate of 0.9% per annum of the net asset value of the Sub-Funds, accrued daily and calculated as at each dealing day and payable monthly in arrears. Prior to 24 February 2025, the Manager was entitled to receive a management fee at the rate of 0.3% per annum of the net asset value of the Sub-Funds, accrued daily and calculated as at each dealing day and payable monthly in arrears.

According to the Sub-Funds' Product Key Facts sheet, the aggregate expenses over 1% of the average net asset value in respect of the Sub-Funds will be reimbursed by the Manager from 29 April 2024 to 29 April 2025 (the first 12-month period from the launch of the Sub-Funds).

Harvest Bitcoin Spot ETF

During the period from 29 April 2024 (date of inception) to 31 December 2024, the Manager was entitled to management fee of US\$18,751. As at 31 December 2024, a management fee of US\$9,961 was payable to the Manager by the Sub-Fund.

Harvest Ether Spot ETF

During the period from 29 April 2024 (date of inception) to 31 December 2024, the Manager was entitled to management fee of US\$4,808. As at 31 December 2024, a management fee of US\$2,691 was payable to the Manager by the Sub-Fund.

Expenses reimbursement by the Manager to the Sub-Fund for the period from 29 April 2024 (date of inception) to 31 December 2024 amount to US\$69,437 of which US\$27,078 was outstanding as at 31 December 2024.

(b) Custodian fee

The Custodian is entitled to receive a custodian fee of up to 1% per annum of the net asset value of the Sub-Funds. The custodian fee will be accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

The Custodian has an agreement with the Sub-Custodian in which the Sub-Custodian is entitled to receive custody fee on terms as agreed by the Company on behalf of the Sub-Funds. The fee is collected by the Custodian from the Sub-Funds and paid to the Sub-Custodian directly.

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

12. TRANSACTIONS AND BALANCES WITH THE CUSTODIAN, THE MANAGER AND THEIR CONNECTED PERSONS (Continued)

(b) Custodian fee (Continued)

Harvest Bitcoin Spot ETF

For the period from 29 April 2024 (date of inception) to 31 December 2024, the Custodian was entitled to custodian fees of US\$54,553 from the Sub-Fund. As at 31 December 2024, a custodian fee of US\$16,781 was payable to the custodian by the Sub-Fund.

Harvest Ether Spot ETF

For the period from 29 April 2024 (date of inception) to 31 December 2024, the Custodian was entitled to custodian fees of US\$9,888 from the Sub-Fund. As at 31 December 2024, a custodian fee of US\$4,117 was payable to the custodian by the Sub-Fund.

(c) Transaction handling and registrar fees

The Custodian is entitled to transaction handling fee per transaction for the Sub-Funds.

The Custodian, acting as the registrar, is also entitled to receive fee of US\$6,000 per annum for updating of the register record of the Sub-Funds.

Harvest Bitcoin Spot ETF

For the period from 29 April 2024 (date of inception) to 31 December 2024, the Custodian was entitled to transaction handling fees of US\$105 and registrar fees of US\$4,004 from the Sub-Fund. As at 31 December 2024, a transaction handling fee of US\$45 was payable to the custodian by the Sub-Fund.

Harvest Ether Spot ETF

For the period from 29 April 2024 (date of inception) to 31 December 2024, the Custodian was entitled to transaction handling fees of US\$135 and registrar fees of US\$4,504 from the Sub-Fund. As at 31 December 2024, a transaction handling fee of US\$45 was payable to the custodian by the Sub-Fund.

(d) Administration fees

Harvest Bitcoin Spot ETF

During the period from 29 April 2024 (date of inception) to 31 December 2024, Sub-Fund has incurred administration fees paid to the Custodian amounting to US\$40,473. As at 31 December 2024, administration fees of US\$15,000 were payable to the Manager by the Sub-Fund.

Harvest Ether Spot ETF

During the period from 29 April 2024 (date of inception) to 31 December 2024, Sub-Fund has incurred administration fees paid to the Custodian amounting to US\$40,167. As at 31 December 2024, administration fees of US\$15,000 were payable to the Manager by the Sub-Fund.

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

12. TRANSACTIONS AND BALANCES WITH THE CUSTODIAN, THE MANAGER AND THEIR CONNECTED PERSONS (Continued)

(e) Cash and cash equivalents of the Sub-Funds held with related parties of the Custodian are:

	Harvest Bitcoin Spot ETF 31 December 2024 US\$	Harvest Ether Spot ETF 31 December 2024 US\$
Cash and cash equivalents		
Bank of China (Hong Kong) Limited	125,917	51,545

For the period from 29 April 2024 (date of inception) to 31 December 2024, bank interest income amounted to US\$175 and US\$64 have been earned from the related parties of the Custodian for Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF respectively.

For the period from 29 April 2024 (date of inception) to 31 December 2024, bank charges amounted to US\$763 and US\$865 have been paid to the related parties of the Custodian for Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF respectively.

(f) Investment transactions with the Custodian or connected persons of the Custodian

During the period from 29 April 2024 (date of inception) to 31 December 2024, there were no investment transactions executed through the connected persons of the Custodian who act as the brokers of the Sub-Funds.

13. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

Pursuant to the SFC's Code on Unit Trusts and Mutual Funds, the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the underlying index, except where the weightings are exceeded as a result of changes in the composition of the underlying index and the excess is only transitional and temporary in nature. Digital assets, including bitcoin and ether, are not in the scope of the securities defined under Cap 571 Securities and Futures Ordinance. The Manager has confirmed that the Sub-Funds have complied with the investment limitation under the SFC Code for the period from 29 April 2024 (date of inception) to 31 December 2024.

14. SOFT COMMISSION ARRANGEMENTS

The Manager confirms that there have been no soft commission arrangements existing for the period from 29 April 2024 (date of inception) to 31 December 2024 in relation to directing transactions of the Sub-fund through a broker or dealer.

**HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)**

15. 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 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 financial position and statement of comprehensive income.

For the period from 29 April 2024 (date of inception) to 31 December 2024, Harvest Bitcoin Spot ETF and Harvest Ether Spot ETF invested 100% into bitcoin and ether respectively in order to achieve its investment objective.

16. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting date through to the approval of these financial statements which require disclosure.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the directors of the Company and the Sub-Funds on 29 April 2025.

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2024

Harvest Bitcoin Spot ETF

	Holdings	Fair value US\$	% of net assets
Digital assets			
BITCOIN	365.874845	34,860,903	99.94%
<i>Total digital assets</i>		<u>34,860,903</u>	<u>99.94%</u>
Total investments		34,860,903	99.94%
Other net assets		<u>21,629</u>	<u>0.06%</u>
Net assets attributable to shareholders at 31 December 2024		<u><u>34,882,532</u></u>	<u><u>100.00%</u></u>
Total digital assets, at cost		<u><u>22,791,751</u></u>	

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
INVESTMENT PORTFOLIO (Unaudited)(Continued)
As at 31 December 2024

Harvest Ether Spot ETF

	Holdings	Fair value US\$	% of net assets
Digital assets			
ETHER	2,807.569600	9,570,536	99.96%
<i>Total digital assets</i>		<u>9,570,536</u>	<u>99.96%</u>
Total investment		9,570,536	99.96%
Other net assets		<u>3,309</u>	<u>0.04%</u>
Net assets attributable to shareholders at 31 December 2024		<u><u>9,573,845</u></u>	<u><u>100.00%</u></u>
Total digital assets, at cost		<u><u>8,415,127</u></u>	

HARVEST BITCOIN SPOT ETF**HARVEST ETHER SPOT ETF****(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)***For the period from 29 April 2024 (date of inception) to 31 December 2024***Harvest Bitcoin Spot ETF**

	29 April 2024 (date of inception)	Additions	Holdings	31 December 2024
			Disposals	
Digital assets				
BITCOIN	-	1,136.688955	(770.814110)	365.874845

HARVEST BITCOIN SPOT ETF**HARVEST ETHER SPOT ETF****(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)***For the period from 29 April 2024 (date of inception) to 31 December 2024***Harvest Ether Spot ETF**

	29 April 2024 (date of inception)	Holdings		31 December 2024
		Additions	Disposals	
Digital assets				
ETHER	-	5,397.07182	(2,589.50222)	2,807.5696

HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
PERFORMANCE TABLE (Unaudited)

Net asset value

	<u>Harvest Bitcoin Spot ETF</u>	
	Dealing net asset value of the Sub-Fund US\$	Dealing net asset value per unit US\$
At the end of financial period dated		
31 December 2024	33,945,519	1.4823

	<u>Harvest Ether Spot ETF</u>	
	Dealing net asset value of the Sub-Fund US\$	Dealing net asset value per unit US\$
At the end of financial period dated		
31 December 2024	9,411,222	1.0457

Highest and lowest net asset value per shares

	<u>Harvest Bitcoin Spot ETF</u>	
	Highest net asset value per unit US\$	Lowest net asset value per unit US\$
Financial period		
For the period from 29 April 2024 (date of inception) to 31 December 2024	1.7094	0.8407

	<u>Harvest Ether Spot ETF</u>	
	Highest net asset value per unit US\$	Lowest net asset value per unit US\$
Financial period		
For the period from 29 April 2024 (date of inception) to 31 December 2024	1.2528	0.7199

**HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
MANAGEMENT AND ADMINISTRATION**

Directors of the Company

HAN Tongli
SHU Chunying Kevin

Legal Counsel to the Manager

Simmons & Simmons
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979 King's Road
Hong Kong

Manager

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33 Hysan Avenue, Causeway Bay
Hong Kong

Baker & McKenzie
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979 King's Road
Quarry Bay
Hong Kong

Custodian

BOCI-Prudential Trustee Limited
Suites 1501-1507 & 1513 - 1516, 15/F
1111 King's Road
Taikoo Shing
Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building Central
10 Chatter Road Central
Hong Kong

Virtual Asset Sub-Custodian and VATP

OSL Digital Securities Limited acting via its associated entity
BC Business Management Services (HK) Limited
39/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Conversion Agent or Service Agent

HK Conversion Agency Services Limited
8th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong

The Administrator and Registrar

BOCI-Prudential Trustee Limited
Suites 1501-1507 & 1513 - 1516, 15/F
1111 King's Road
Taikoo Shing
Hong Kong

Participating Dealers

China Merchants Securities (HK) Co., Limited
48/F One Exchange Square
8 Connaught Place
Central
Hong Kong

Eddied Securities and Futures Limited

21/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

**HARVEST BITCOIN SPOT ETF
HARVEST ETHER SPOT ETF
(SUB-FUNDS OF HARVEST FUNDS SERIES (HONG KONG) ETF OFC)
MANAGEMENT AND ADMINISTRATION (continued)**

Participating Dealers (continued)

Mirae Asset Securities (HK) Limited
Units 8501, 8507-08, level 85,
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Solomon JFZ (Asia) Holdings Limited
Room 1910-12A
Tower 3, China Hong Kong City,
33 Canton Road, Tsim Sha Tsui
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Valuable Capital Limited
Room 3606, 36/F
China Merchants Tower Shun Tak Centre
168-200 Connaught Rd Central
Sheung Wan, Hong Kong

Victory Securities Company Limited
11/F, Yardley Commercial Building,
3 Connaught Road West,
Sheung Wan, Hong Kong