



CSOP LEVERAGED AND INVERSE SERIES
(An umbrella unit trust established in Hong Kong)

CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(Stock Code: 07500)
(A Sub-fund of CSOP Leveraged and Inverse Series)

Reports and Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2025

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

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CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT (A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

CSOP Hang Seng Index Daily (-2x) Inverse Product (or the “Sub-Fund”), is a sub-fund of the CSOP Leveraged and Inverse Series (the “Trust”), an umbrella unit trust established under Hong Kong law by a trust deed dated 5 July 2016 (the “Trust Deed”) between CSOP Asset Management Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

It was launched on 24 May 2019 and commenced trading in HKD under the stock code 07500 on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 28 May 2019. The Sub-Fund is benchmarked against the Hang Seng Index (the “HSI Index” or “Underlying Index”) and adopts a combination of a futures-based replication strategy and a swap-based synthetic replication strategy. The Manager is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the daily performance of the Underlying Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

The Manager will roll the Hang Seng Index Futures on a monthly basis. The futures roll for the Hang Seng Index Futures will be done on a monthly basis on the SEHK shortly before expiration.

The Underlying Index is compiled and managed by Hang Seng Indexes Company Limited (the “Index Provider”). It is a free float-adjusted market capitalization weighted index that tracks the behaviour of a portfolio of blue chip companies, the largest and most liquid Hong Kong securities listed on the SEHK. The Underlying Index operates under clearly defined rules published by the index provider and is a tradable index.

The Sub-Fund Performance

The CSOP Hang Seng Index Daily (-2x) Inverse Product seeks to provide daily investment results, before fees and expenses, which closely correspond to negative 2 times the daily performance of the Underlying Index. As of 31 December 2025, the dealing NAV performed -49.68% while the Underlying Index performed 27.77%.

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of CSOP Hang Seng Index Daily (-2x) Inverse Product (the “Sub-Fund”), a sub-fund of CSOP Leveraged and Inverse Series), has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 5 July 2016, as amended, for the year ended 31 December 2025.

HSBC Institutional Trust Services (Asia) Limited
27 April 2026

CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT (A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER'S RESPONSIBILITIES

The Manager of CSOP Hang Seng Index Daily (-2x) Inverse Product, a sub-fund of CSOP Leveraged and Inverse Series, is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong and the Trust Deed dated 5 July 2016, as amended, (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of the year and of the transactions for the year ended 31 December 2025. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Sub-Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

CSOP Leveraged and Inverse Series (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 December 2025, the Trust has established twenty-three sub-funds, namely:

Name of the sub-funds	Launch Date
CSOP Hang Seng Index Daily (-2x) Inverse Product ("the Sub-Fund")	24 May 2019
CSOP Hang Seng TECH Index Daily (-2x) Inverse Product	08 December 2020
CSOP Hang Seng Index Daily (2x) Leveraged Product	10 March 2017
CSOP Hang Seng Index Daily (-1x) Inverse Product	10 March 2017
CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product	10 March 2017
CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product	10 March 2017
CSOP NASDAQ-100 Index Daily (-2x) Inverse Product	17 September 2019
CSOP Hang Seng TECH Index Daily (2x) Leveraged Product	08 December 2020
CSOP Nikkei 225 Daily (2x) Leveraged Product	27 May 2024
CSOP Nikkei 225 Daily (-2x) Inverse Product	27 May 2024
CSOP Bitcoin Futures Daily (-1x) Inverse Product	19 July 2024
CSOP NVIDIA Daily (2x) Leveraged Product	20 March 2025
CSOP NVIDIA Daily (-2x) Inverse Product	20 March 2025
CSOP Tesla Daily (2x) Leveraged Product	20 March 2025
CSOP Tesla Daily (-2x) Inverse Product	20 March 2025
CSOP Coinbase Daily (2x) Leveraged Product	20 March 2025
CSOP Coinbase Daily (-2x) Inverse Product	20 March 2025
CSOP MicroStrategy Daily (2x) Leveraged Product	20 March 2025
CSOP MicroStrategy Daily (-2x) Inverse Product	20 March 2025
CSOP Berkshire Daily (2x) Leveraged Product	20 March 2025
CSOP Samsung Electronics Daily (2x) Leveraged Product	26 May 2025
CSOP Samsung Electronics Daily (-2x) Inverse Product	26 May 2025
CSOP SK Hynix Daily (2x) Leveraged Product	14 October 2025

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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**STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE
(CONTINUED)**

TRUSTEE'S RESPONSIBILITIES

The Trustee of the Sub-Fund is required to:

- ensure that the Sub-Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not managing the Sub-Fund in accordance to the Trust Deed.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES, AN UMBRELLA UNIT
TRUST ESTABLISHED IN HONG KONG)**

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of CSOP Hang Seng Index Daily (-2x) Inverse Product (the “Sub-Fund”), a sub-fund of CSOP Leveraged and Inverse Series, which are set out on pages 10 to 44, comprise:

- the statement of financial position as at 31 December 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; 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 Sub-Fund as at 31 December 2025, and of its financial transactions and its cash flows for the year then ended 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 Sub-Fund in accordance with the Hong Kong Institute of Certified Public Accountants (“HKICPA”)’s Code of Ethics for Professional Accountants (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES, AN UMBRELLA UNIT
TRUST ESTABLISHED IN HONG KONG) (CONTINUED)**

Key Audit Matters (Continued)

Key audit matters identified in our audit are summarised as follows:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><u>Existence and valuation of investments and derivative financial instruments, and occurrence and accuracy of the related investment gain/loss</u></p> <p>As at 31 December 2025, the Sub-Fund had investments with an aggregated fair value of HKD847,970,718 which comprised of investment funds. The Sub-Fund had derivative financial assets comprised of listed futures contracts and unlisted futures swap contracts with fair value of HKD73,465,550. The net loss on investments and derivative financial instruments amounted to HKD1,514,670,805, which represents net change in unrealised gain in value of investments and derivative financial instruments of HKD110,407,082 and net realised loss on sale of investments and derivative financial instruments of HKD1,625,077,887.</p> <p>We focused on the existence and valuation of the investments and derivative financial instruments, and the occurrence and accuracy of the related investment gain/loss, because the investments, derivative financial instruments and the net loss on investments and derivative financial instruments represented the principal elements of Sub-Fund's net assets attributable to unitholders as at 31 December 2025.</p> <p>Refer to note 4 and note 8 to the financial statements.</p>	<p>Our work included an assessment of the key controls over the existence and valuation of the investments and derivative financial instruments, and the occurrence and accuracy of the related investment gain/loss, which included the following:</p> <ul style="list-style-type: none"> • We developed an understanding of the control objectives and related controls relevant to our audit of the Sub-Fund by obtaining the service organisation internal control reports (the "Control Reports") provided by the trustee setting out the controls in place, and the independent service auditor's assurance report over the design and operating effectiveness of those controls. • We evaluated the tests undertaken by the service auditor, the results of the tests undertaken and the opinions formed by the service auditor on the design and operating effectiveness of the controls, to the extent relevant to our audit of the Sub-Fund. <p>We tested the existence of investments and derivative financial instruments by obtaining direct confirmations from the custodian and brokers and agreeing the Sub-Fund's holdings of investments and derivative financial instruments to the confirmations.</p> <p>We tested the valuation of the Sub-Fund's investments and derivative financial instruments, and the accuracy of their related unrealised gain/loss by comparing the pricing used by the Sub-Fund to external pricing sources as at 31 December 2025.</p> <p>We tested the occurrence and accuracy of net realised gain/loss from trading of investments and derivative financial instruments by agreeing the purchase and sales transactions to the broker statements and testing the calculation of net gain/loss on a sample basis.</p> <p>Based on the procedures we performed, we found no material exceptions from our testing.</p>

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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TRUST ESTABLISHED IN HONG KONG) (CONTINUED)**

Other Information

The manager and the trustee (the “Management”) of the Sub-Fund is 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 Management for the Financial Statements

The Management of the Sub-Fund is 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 Management determines 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 Management of the Sub-Fund is responsible for assessing the Sub-Fund’s 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 Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 5 July 2016, as amended (the “Trust Deed”), and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the “SFC Code”).

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, 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-Fund 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.

**INDEPENDENT AUDITOR'S REPORT
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TRUST ESTABLISHED IN HONG KONG) (CONTINUED)**

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management'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.
- 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 Management 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 Management 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 Management, we determine those matters that were of most significance in the audit of the financial statements 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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TRUST ESTABLISHED IN HONG KONG) (CONTINUED)**

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

The engagement partner on the audit resulting in this independent auditor's report is Kwan Wai Tuen, Josephine.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 April 2026

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	31 December 2025 <i>HKD</i>	31 December 2024 <i>HKD</i>
ASSETS			
CURRENT ASSETS			
Investments	<i>6(c),8(a),8(d)</i>	847,970,718	143,576,369
Derivative financial instruments	<i>6(c),8(a),8(d),8(f)</i>	73,465,550	-
Bank interest receivable		1,596	2,056
Interest receivable from brokers		19,239	85,098
Deposits with brokers	<i>6(c),9</i>	711,454,151	392,865,080
Cash and cash equivalents	<i>6(c)</i>	2,287,023,640	1,500,033,295
Total assets		<u>3,919,934,894</u>	<u>2,036,561,898</u>
LIABILITIES			
CURRENT LIABILITIES			
Derivative financial instruments	<i>6(c),8(a),8(d),8(f)</i>	-	41,379,034
Amounts due to participating dealers		26,278,768	8,801,710
Management fee payable	<i>6(a),6(b)</i>	4,773,527	2,407,300
Cash collateral payable	<i>9</i>	5,442,000	-
License fee payable		809,648	412,188
Other accounts payable		1,269,953	654,853
Total liabilities		<u>38,573,896</u>	<u>53,655,085</u>
EQUITY			
Net assets attributable to unitholders	3	<u>3,881,360,998</u>	<u>1,982,906,813</u>

The financial statements on pages 10 to 44 were approved by the Trustee and the Manager on 27 April 2026 and were signed on their behalf.

For and on behalf of

For and on behalf of

CSOP Asset Management Limited
as the Manager

HSBC Institutional Trust Services (Asia) Limited
as the Trustee

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

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	Year ended 31 December 2025 <i>HKD</i>	Year ended 31 December 2024 <i>HKD</i>
INCOME			
Interest income from bank deposits	<i>6(c)</i>	3,950,922	3,597,774
Interest income from deposits with brokers		8,924,908	5,821,164
Interest income from margin deposits		882,335	859,693
Net loss on investments and derivative financial instruments	<i>4</i>	(1,514,670,805)	(594,767,643)
Net foreign currency losses		(1,300,488)	(121,136)
Total net loss		<u>(1,502,213,128)</u>	<u>(584,610,148)</u>
EXPENSES			
Management fee	<i>6(a),6(b)</i>	(54,059,037)	(24,280,688)
Transaction costs on investments	<i>6(d),7</i>	(25,660,614)	(10,250,774)
Audit fee		(176,748)	(166,959)
Bank charges		(3,199)	(2,366)
Legal and other professional fee		(13,548)	(18,984)
License fee		(2,954,613)	(1,337,835)
Interest expenses	<i>7</i>	(1,074,778)	(443,943)
Other operating expenses	<i>6(d)</i>	(528,584)	(456,289)
Total operating expenses		<u>(84,471,121)</u>	<u>(36,957,838)</u>
Total comprehensive loss		<u><u>(1,586,684,249)</u></u>	<u><u>(621,567,986)</u></u>

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

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2025

	<i>Note</i>	Year ended 31 December 2025 <i>HKD</i>	Year ended 31 December 2024 <i>HKD</i>
Net assets attributable to unitholders at the beginning of the year		1,982,906,813	1,127,834,354
Issue of units		23,969,594,153	11,672,635,649
Redemption of units		(20,484,455,719)	(10,195,995,204)
Net increase from unit transactions		3,485,138,434	1,476,640,445
Total comprehensive loss for the year		(1,586,684,249)	(621,567,986)
Net assets attributable to unitholders at the end of the year	3	3,881,360,998	1,982,906,813

The movements of the redeemable units or the years ended 31 December 2025 and 2024 are as follows:

	2025 <i>Units</i>	2024 <i>Units</i>
Number of units in issue at the beginning of the year	541,600,000	181,600,000
Units issued	10,947,200,000	2,581,600,000
Units redeemed	(9,380,800,000)	(2,221,600,000)
Number of units in issue at the end of the year	2,108,000,000	541,600,000

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

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Year ended 31 December 2025 <i>HKD</i>	Year ended 31 December 2024 <i>HKD</i>
OPERATING ACTIVITIES		
Payments for purchase of investments	(5,126,414,470)	(121,136)
Proceeds from sale of investments	4,432,116,555	196,502,745
Net payments from derivative activities	(1,640,912,311)	(626,687,005)
Interest received from bank deposits	3,951,382	3,620,835
Interest received from deposits with brokers	8,990,767	5,863,215
Interest received from margin deposits	882,335	859,693
Management fee paid	(51,692,810)	(23,189,378)
Transaction costs paid	(25,660,614)	(10,250,774)
Interest paid	(1,074,778)	(443,943)
License fee paid	(2,557,153)	(1,189,179)
Other operating expenses paid	(106,979)	(504,620)
Decrease in deposits with brokers	(318,589,071)	(202,805,808)
Increase in cash collateral payable	5,442,000	-
Net cash used in operating activities	(2,715,625,147)	(658,345,355)
FINANCING ACTIVITIES		
Proceeds on issue of units	23,969,594,153	11,752,194,789
Payments on redemption of units	(20,466,978,661)	(10,187,193,494)
Net cash generated from financing activities	3,502,615,492	1,565,001,295
Net increase in cash and cash equivalents	786,990,345	906,655,940
Cash and cash equivalents at the beginning of the year	1,500,033,295	593,377,355
Cash and cash equivalents at the end of the year	2,287,023,640	1,500,033,295
Analysis of balances of cash and cash equivalents		
Bank balances	2,287,023,640	1,500,033,295

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

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP Leveraged and Inverse Series (the “Trust”) is an umbrella unit trust governed by a trust deed dated 5 July 2016, as amended, (the “Trust Deed”) and authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to Section 104(1) of the Securities and Futures Ordinance. The terms of the Trust Deed are governed by the laws of Hong Kong. As at 31 December 2025, the Trust has twenty- three sub-funds which are:

Name of the sub-funds	Launch Date
CSOP Hang Seng Index Daily (-2x) Inverse Product (“the Sub-Fund”)	24 May 2019
CSOP Hang Seng TECH Index Daily (-2x) Inverse Product	08 December 2020
CSOP Hang Seng Index Daily (2x) Leveraged Product	10 March 2017
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CSOP Berkshire Daily (2x) Leveraged Product	20 March 2025
CSOP Samsung Electronics Daily (2x) Leveraged Product	26 May 2025
CSOP Samsung Electronics Daily (-2x) Inverse Product	26 May 2025
CSOP SK Hynix Daily (2x) Leveraged Product	14 October 2025

The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited.

The manager and the trustee of the Sub-Fund are CSOP Asset Management Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”) respectively.

CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT (A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION (Continued)

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the two times inverse (-2x) of the daily performance of the Underlying Index. The HSI Index is a price return index without adjustments for cash dividends or warrant bonuses. The Underlying Index adopts free float-adjusted market capitalisation weighted methodology, with a specified cap-level of 8% on individual non-foreign companies constituent, 4% on individual foreign companies constituent and 10% on aggregate foreign companies constituents. The HSI Index has four sub-indices, being finance, commerce and industry, properties and utilities, and each constituent belongs to one of these sub-indices based on the industry classification of the Hang Seng Industry Classification System. In order to achieve the investment objective of the Sub-Fund, the Manager will adopt a combination of a futures-based replication strategy and a swap-based synthetic replication strategy through investing directly in the HSI Futures and investing in swaps to obtain the required exposure to the HSI Index.

These financial statements are prepared for the Sub-Fund only. The financial statements for the other sub-funds of the Trust are prepared separately.

2. 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 all the period presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS® Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and derivative financial instruments at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Trustee and the Manager (together the “Management”) to exercise their judgment in the process of applying the Sub-Fund’s accounting policies.

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NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

Standards and amendments to existing standards effective 1 January 2025

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2025 that have a material effect on the financial statements of the Sub-Fund.

New standards, amendments and interpretations effective after 1 January 2025 that are relevant to the Sub-Fund and have not been early adopted by the Sub-Fund

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2025 and have not been early adopted in preparing these financial statements.

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

For Amendment to IFRS 9 and IFRS 7, the Sub-Fund does not expect these amendments to have a material impact on its operations or financial statements.

For IFRS 18 Presentation and Disclosure in Financial Statements, the Sub-Fund is currently still assessing the effect of this standard and amendment.

(b) Financial instruments

(i) Classification

The Sub-Fund classify their investments based on both the Sub-Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

(ii) Recognition/derecognition

Purchases and sales of investments are accounted for on the trade date basis - the date on which the Sub-Fund commit to purchase or sell the investments. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund have transferred substantially all risks and rewards of ownership.

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NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

(iii) Measurement

Investments are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, all investments are measured at fair value. Realised and unrealised gains and losses on investments are recognised in the statement of comprehensive income in the year in which they arise.

(iv) Fair value estimation

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 of financial assets and liabilities traded in active markets (such as publicly traded derivatives) are based on quoted market prices at the close of trading on the reporting date. The Sub-Fund utilise the last traded market price for both listed financial assets and liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets that are not traded in an active market (for example, swaps) is determined by using broker quotes or valuation techniques. Investments in listed futures contracts are valued using the last traded market prices.

(v) Transfers between levels of the fair value hierarchy

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

(vi) Derivatives

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading unless they are designated as hedges. The Sub-Fund do not classify any derivatives as hedges in a hedging relationship.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Sub-Fund's documented investment strategy. The Sub-Fund's policy requires the Manager to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(vii) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when the Sub-Fund currently have a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

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NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

(viii) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual agreements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and the structured entity to finance its activities without subordinated financial support and (c) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Sub-Fund consider its investment in investment funds to be investment in unconsolidated structured entities. The investment funds are managed by the Manager who apply various investment strategies to accomplish the respective investment objectives of the investment funds. The investment funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitles the holder to a proportional stake in the respective investment funds' net assets. The Sub-Fund hold redeemable units in the investment funds.

The Sub-Fund's investments in unconsolidated structured entities are shown as investments. The change in fair value of investment funds is included in the statement of comprehensive income in "Net gain/loss on investments and derivative financial instruments".

(c) Amounts due from participating dealers and brokers

Amounts due from participating dealers represent the subscription receivable from the participating dealers at the end of the reporting year. Amounts due from brokers represent receivables for investments sold that have been contracted for but not yet settled on the statement of financial position date. The amounts are non-interest bearing and repayable on demand.

These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(d) Expected credit losses on financial assets measured at amortised cost

At each reporting date, the Sub-Fund shall measure the loss allowance on financial assets measured at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, financial assets measured at amortised cost will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by Management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(e) Amounts due to participating dealers and brokers

Amounts due to participating dealers represent the redemption payable to the participating dealers at the end of the reporting year. Amounts due to brokers represent payables for investments purchased that have been contracted for but not yet delivered on the statement of financial position date. The amounts are non-interest bearing and repayable on demand. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

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2. MATERIAL ACCOUNTING POLICIES (Continued)

(f) Interest income

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

(g) Transaction costs on investments

Transaction costs are costs incurred to acquire/dispose of financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

(h) Expenses

Expenses are accounted for on an accrual basis.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank, demand deposits, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Cash and cash equivalents excluded deposits with brokers as they are restricted for investment purpose.

(j) 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 Sub-Fund operates (the “functional currency”). The Manager considers Hong Kong Dollar (“HKD”) as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions for the Sub-Fund. The financial statements are presented in HKD, which is the Sub-Fund’s 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.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net gain/(loss) on investments and derivative financial instruments”.

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2. MATERIAL ACCOUNTING POLICIES (Continued)

(k) Redeemable units

The Sub-Fund issue redeemable units, which are redeemable at the holder's option. These units represent puttable financial instruments of the Sub-Fund. The Sub-Fund classify their puttable financial instruments as equity in accordance with IAS32, "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;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of the Sub-Fund.

Units are issued and redeemed at the holder's option at prices based on the Sub-Fund's net asset value per unit at the time of issue or redemption. The Sub-Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

In accordance with the Prospectus of the Sub-Fund, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for subscriptions and redemptions of the Sub-Fund.

(l) Taxation

No provision for Hong Kong profits tax has been made for the Sub-Fund as it is authorized as a collective investment scheme constituted as a unit trust under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempted from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

(m) Deposits with brokers/cash collateral payable

Cash collateral provided by the Sub-Fund are identified in the statement of financial position as deposits with brokers and is not included as a component of cash and cash equivalents. Cash collateral received by the Sub-Fund are identified in the statement of financial position as cash collateral payable. Cash collateral received is treated as an on-balance sheet asset as deposits with brokers with a corresponding liability as cash collateral payable shown separately.

(n) Changes to presentation and comparative information

When the presentation or classification of items in the financial statements is amended, comparative amounts have been updated to conform with the current year's presentation or classification.

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NOTES TO THE FINANCIAL STATEMENTS

3. NUMBER OF UNITS IN ISSUE AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT

The Sub-Fund's capital is represented by the units in the Sub-Fund, and shown as net assets attributable to unitholders in the statement of financial position. Subscriptions and redemptions of units during the years ended 31 December 2025 and 2024 are shown in the statement of changes in net assets attributable to unitholders. In order to achieve the investment objectives, the Sub-Fund endeavor to invest its capital in accordance with the investment policies, whilst maintaining sufficient liquidity to meet redemption requests.

In accordance with the provisions of the Trust Deed dated 5 July 2016, as amended, and the Prospectus of the Sub-Fund, investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations.

As stated in Note 2(k), redeemable units of the Sub-Fund are classified as equity and they are carried at the price based on the Sub-Fund's net asset value per unit at the reporting date if the unitholder exercised the right to redeem the units in the Sub-Fund.

The redeemable units for the years ended 31 December 2025 and 2024 are as follows:

	31 December 2025 <i>Units</i>	31 December 2024 <i>Units</i>
Number of units in issue at the end of the year	2,108,000,000	541,600,000
	<i>HKD</i>	<i>HKD</i>
Net assets attributable to unitholders per unit as at 31 December (per statement of financial position)	1.8413	3.6612

4. NET LOSS ON INVESTMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS

	Year ended 31 December 2025 <i>HKD</i>	Year ended 31 December 2024 <i>HKD</i>
Net change in unrealised gain/loss in value of investments and derivative financial instruments	110,407,082	12,732,356
Net realised loss on sale of investments and derivative financial instruments	(1,625,077,887)	(607,499,999)
	(1,514,670,805)	(594,767,643)

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5. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Fund as they are authorised as a collective investment scheme 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.

There were no tax expenses for the Sub-Fund for the years ended 31 December 2025 and 2024.

6. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

The following is a summary of significant related party transactions and transactions entered into during the year between the Sub-Fund and the Trustee, the Manager and the connected persons of the Manager. Connected persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the “SFC Code”). All transactions entered into during the years ended 31 December 2025 and 2024 between the Sub-Fund and the Manager 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-Fund do not have any other transactions with the connected persons of the Manager except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee, currently at the rate of 1.50% per annum of the net asset value of the Sub-Fund, inclusive of trustee fee and registrar’s fee, accrued daily and calculated as at each dealing day and payable monthly in arrears.

The management fee includes, but are not limited to, the manager’s fee, the trustee’s fee, the custodian’s fee and the registrar’s fee. The management fee does not include brokerage and transaction costs such as the fees and charges relating to the investment and realising the investments and extraordinary items such as litigation expenses.

During the year ended 31 December 2025, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF in unlisted class A (2024: in unlisted class A), an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP Hong Kong Dollar Money Market ETF.

During the year ended 31 December 2025, the Sub-Fund invested into CSOP US Dollar Money Market ETF in listed class and unlisted class A (2024: in unlisted class A), an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP US Dollar Money Market ETF.

(b) Trustee fee and registrar’s fee

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 6(a).

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NOTES TO THE FINANCIAL STATEMENTS

**6. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS
(Continued)**

(c) Financial assets and liabilities

The investments, derivative financial instruments, cash and cash equivalents, deposits with brokers and cash collateral payable of the Sub-Fund's held with related parties of the Trustee are:

	Investments <i>HKD</i>	Derivative financial instruments <i>HKD</i>	Bank balances <i>HKD</i>	Deposits with brokers* <i>HKD</i>	Cash collateral payable <i>HKD</i>
As at 31 December 2025					
- The Hongkong and Shanghai Banking Corporation Limited	847,970,718	-	622,900,652	-	-
- HSBC Bank Plc	-	2,949,189	-	-	(2,721,000)
	<u>847,970,718</u>	<u>2,949,189</u>	<u>622,900,652</u>	<u>-</u>	<u>(2,721,000)</u>
As at 31 December 2024					
- The Hongkong and Shanghai Banking Corporation Limited	143,576,369	-	276,752,350	7,547,500	-
- HSBC Bank Plc	-	(5,644,675)	-	-	-
	<u>143,576,369</u>	<u>(5,644,675)</u>	<u>276,752,350</u>	<u>7,547,500</u>	<u>-</u>

* The amount of deposits with brokers in the initial margin account are held with Hongkong and Shanghai Banking Corporation Limited on behalf of the Sub-Fund.

Interest income amounted to HKD1,519,990 (2024: HKD1,807,970) was earned on these bank balances for the year ended 31 December 2025.

As at 31 December 2025, the Sub-Fund invests in CSOP Hong Kong Dollar Money Market ETF, unlisted class A of HKD788,036,760 (2024: in unlisted class A HKD86,619,258) of CSOP US Dollar Money Market ETF listed class HKD461,782 (2024: Nil) and unlisted class A of HKD59,472,176 (2024: in unlisted class A HKD56,957,111) which are managed by the Manager.

(d) Other respective amounts paid to the Trustee and its connected persons

The other respective amounts paid to the Trustee and its connected persons for the years ended 31 December 2025 and 2024, were as follows:

	Year ended 31 December 2025 <i>HKD</i>	Year ended 31 December 2024 <i>HKD</i>
Transaction costs on investments	3,352,417	2,700,962
Other operating expenses	373,835	328,431
	<u>3,726,252</u>	<u>3,029,393</u>

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NOTES TO THE FINANCIAL STATEMENTS

**6. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS
(Continued)**

(e) Investment transactions and brokerage commission

During the years ended 31 December 2025 and 2024, the Sub-Fund did not enter into transactions through the Connected Persons of the Manager for its brokerage services.

During the years ended 31 December 2025 and 2024, the Sub-Fund have entered into transactions through the connected persons of the Trustee for its brokerage services. Such investment transactions with this entity are set out below:

	Aggregate value of purchase and sale of investments	% of the Sub- Fund's total aggregate value of transactions during the year	Brokerage commission paid	Average rate of commission %
	<i>HKD</i>		<i>HKD</i>	
2025	21,388,700,561	7.23%	3,352,417	0.02%
2024	11,000,351,789	7.98%	2,700,962	0.02%

(f) Holding in the Sub-Funds

As at 31 December 2025 and 2024, no unit was held by the Trustee, Manager and their connected persons.

7. TRANSACTION COSTS ON INVESTMENTS

Transaction costs are costs incurred to acquire/dispose of financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers.

Swap fees

Swap fees include all costs associated with swap transactions which represents the brokerage commission and the swap counterparty's costs of financing the underlying hedge in order to provide the performance.

Swap fees are borne by the sub-fund that are trading in swap contracts and are inclusive of any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swap contracts. The swap fees are included in the statement of comprehensive income as part of transaction cost as incurred and income/expenses from derivative financial instruments which are accrued daily and spread over the period of the swap contracts.

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT

The objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of Underlying Index of the Sub-Fund. The Sub-Fund's activities may expose it to a variety of risks including but not limited to market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

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

(a) 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 (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Fund is designated to utilise leverage to achieve daily return equivalent to the two times inverse (-2x) of the daily performance of the Underlying Index. The Sub-Fund rebalances its portfolio on a daily basis to achieve the investment objective. In view of the potential risk of exceeding the position limit of holdings of the spot month futures contracts on the Underlying Index and growing of asset under management of the Sub-Fund and with an aim to improving the performance of the Sub-Fund, the Manager considers entering into swaps could add the flexibility so as to better achieve the investment objective.

The following table details the exposure of the Sub-Fund's investments and derivative financial instruments based on respective fair value categorised by the geographical location.

	2025		2024	
	Fair value <i>HKD</i>	% of net asset value	Fair value <i>HKD</i>	% of net asset value
Hong Kong				
Listed investment funds				
Listed Class				
- CSOP US Dollar Money Market ETF Listed Class	461,782	0.01	-	-
Unlisted Class				
- CSOP Hong Kong Dollar Money Market ETF-Unlisted Class A	788,036,760	20.31	86,619,258	4.37
- CSOP US Dollar Money Market ETF – Unlisted Class A	59,472,176	1.53	56,957,111	2.87
	<u>847,970,718</u>	<u>21.85</u>	<u>143,576,369</u>	<u>7.24</u>
Listed derivatives				
- Futures contracts	30,310,799	0.78	(23,297,328)	(1.18)
Unlisted derivatives				
- Futures swap contracts	<u>43,154,751</u>	<u>1.11</u>	<u>(18,081,706)</u>	<u>(0.91)</u>
Total investments and derivative financial instruments	<u>921,436,268</u>	<u>23.74</u>	<u>102,197,335</u>	<u>5.15</u>

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

Sensitivity analysis in the event of a possible change in the Underlying Index as estimated by the Manager
As at 31 December 2025, if the Underlying Index were to increase by 28% (2024: 15%) with all other variables held constant, this would increase the operating loss for the year by approximately HKD2,159,806,655 (2024: HKD609,561,416) Conversely, if the Underlying Index were to decrease by 28% (2024: 15%), this would decrease the operating loss for the year by an equal amount. Sensitivity analysis of investment funds is disclosed under interest rate risk. Refer to note 8(a)(ii).

(ii) 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.

The tables below summarise the Sub-Fund's exposure to interest rate risks. It includes the Sub-Fund's assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2025

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	847,970,718	847,970,718
Derivative financial instrument	-	-	-	73,465,550	73,465,550
Bank interest receivable	-	-	-	1,596	1,596
Interest receivable from brokers	-	-	-	19,239	19,239
Deposits with brokers	711,454,151	-	-	-	711,454,151
Cash and cash equivalents Bank balances	2,287,023,640	-	-	-	2,287,023,640
Total assets	<u>2,998,477,791</u>	<u>-</u>	<u>-</u>	<u>921,457,103</u>	<u>3,919,934,894</u>
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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

As at 31 December 2025 (Continued)

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Liabilities					
Amount due to participating dealer	-	-	-	26,278,768	26,278,768
Cash collateral payable	5,442,000	-	-	-	5,442,000
Management fee payable	-	-	-	4,773,527	4,773,527
License fee payable	-	-	-	809,648	809,648
Other accounts payable	-	-	-	1,269,953	1,269,953
Total liabilities	<u>5,442,000</u>	<u>-</u>	<u>-</u>	<u>33,131,896</u>	<u>38,573,896</u>
Total interest sensitivity gap	<u><u>2,993,035,791</u></u>	<u><u>-</u></u>	<u><u>-</u></u>		

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

As at 31 December 2024

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	143,576,369	143,576,369
Bank interest receivable	-	-	-	2,056	2,056
Interest receivable from brokers	-	-	-	85,098	85,098
Deposits with brokers	392,865,080	-	-	-	392,865,080
Cash and cash equivalents					
Bank balances	1,500,033,295	-	-	-	1,500,033,295
Total assets	1,892,898,375	-	-	143,663,523	2,036,561,898
Liabilities					
Derivative financial instruments	-	-	-	41,379,034	41,379,034
Amount due to participating dealers	-	-	-	8,801,710	8,801,710
Management fee payable	-	-	-	2,407,300	2,407,300
License fee payable	-	-	-	412,188	412,188
Other accounts payable	-	-	-	654,853	654,853
Total liabilities	-	-	-	53,655,085	53,655,085
Total interest sensitivity gap	1,892,898,375	-	-		

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

At 31 December 2025, the Sub-Fund has cash and cash equivalents and deposits with brokers of HKD2,998,477,791 (2024: HKD1,892,898,375) and cash collateral payable of HKD5,442,000 (2024: Nil). If the interest rates had been 50 basis points higher or lower with all variables held constant, net assets attributable to unitholders would have been HKD14,965,179 (2024: HKD9,464,492) higher or lower as a result of higher or lower interest income.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries.

As at 31 December 2025 the Sub-Fund has invested in CSOP Hong Kong Dollar Money Market ETF of unlisted class A of HKD788,036,760 (2024: in unlisted class A HKD86,619,258), which mainly invest in HKD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund's investment in CSOP Hong Kong Dollar Money Market ETF is subject to interest rate risk. The underlying investments within CSOP Hong Kong Dollar Money Market ETF were short-term with average maturity not exceeding 60 days. As at 31 December 2025 and 2024, should the relevant interest rates have lowered/risen by 50 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately HKD3,940,184 (2024: HKD433,096), arising substantially from the increase/decrease in market values of CSOP Hong Kong Dollar Money Market ETF as a result of increase/decrease in interest income.

As at 31 December 2025 the Sub-Fund has invested in CSOP US Dollar Money Market ETF listed and unlisted class of HKD59,933,958 (2024: in listed class Nil and unlisted class A HKD56,957,111), which mainly invest in USD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund's investment in CSOP US Dollar Money Market ETF class is subject to interest rate risk. The underlying investments within CSOP US Dollar Money Market ETF were short-term with average maturity not exceeding 60 days. As at 31 December 2025 and 2024, should the relevant interest rates have lowered/risen by 50 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately HKD299,670 (2024: HKD284,786), arising substantially from the increase/decrease in market values of CSOP US Dollar Money Market ETF as a result of increase/decrease in interest income.

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-Fund's exposure to currency risk arising from balances and transactions in foreign currencies is immaterial as the majority of its assets and liabilities are denominated in HKD, the Sub-Fund's functional and presentation currency. As a result, Management considers sensitivity analysis of currency risk is not necessary to be presented.

(b) Credit and counterparty risk

Credit and counterparty 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-Fund.

The Sub-Fund limit their exposure to credit and counterparty risk by carrying out the majority of those investment transactions and contractual commitment activities with well-established broker-dealers, banks and regulated exchanges with high credit ratings.

The Sub-Fund may invest in financial derivative instruments ("FDIs"), which will mainly consist of unlisted futures swaps with one or more counterparties. The counterparties are transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral are received from the counterparty to reduce counterparty risk.

All transactions in listed securities and derivative financial instruments are settled or paid for upon delivery using approved and reputable brokers. In addition, the Sub-Fund places cash and cash equivalents and deposits with brokers with reputable financial institutions. As such, the Manager does not consider the Sub-Fund to be exposed to significant credit and counterparty risk.

The Sub-Fund is exposed to credit and counterparty risk on its investments, derivative financial instruments, deposits with brokers and cash and cash equivalents.

The tables below summarise the amount of investments, cash and cash equivalents and deposits with brokers of the Sub-Fund placed with counterparties and counterparties to derivative financial instruments as at 31 December 2025 and 2024.

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

As at 31 December 2025

HKD

Investments and derivative financial instruments

BNP Paribas	28,972,249
CITIC Securities International Capital Management Limited	2,984,000
Goldman Sachs International	11,112,000
HSBC Bank Plc	2,949,189
Nomura Singapore Limited	26,109,562
The Hongkong and Shanghai Banking Corporation Limited	847,970,718
UBS AG London	1,338,550

921,436,268

Deposits with brokers

BNP Paribas	671,286,902
Goldman Sachs International	5,992,718
Nomura Singapore Limited	14,900,000
UBS AG London	19,274,531

711,454,151

Bank balances

China Everbright Bank Co., Ltd., Hong Kong Branch	230,980,114
CMB Wing Lung Bank Limited	311,114,120
DBS Bank Ltd, Hong Kong Branch	281,277,250
Industrial and Commercial Bank of China (Asia) Limited	403,464,550
Ping An Bank Co., Ltd.	8,157
Standard Chartered Bank, Hong Kong	253,808,538
The Hongkong and Shanghai Banking Corporation Limited	622,900,652
United Overseas Bank Limited, Hong Kong Branch	183,470,259

2,287,023,640

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

As at 31 December 2024

	<i>HKD</i>
Investments and derivative financial instruments	
BNP Paribas	(19,414,328)
HSBC Bank Plc	(5,644,675)
J.P. Morgan Securities Plc	(6,017,000)
Nomura Singapore Limited	(6,420,031)
The Hongkong and Shanghai Banking Corporation Limited	143,576,369
UBS AG London	(3,883,000)
	<hr/>
	102,197,335
	<hr/> <hr/>
Deposits with brokers	
BNP Paribas	297,146,470
HSBC Bank Plc	7,547,500
J.P. Morgan Securities Plc	6,550,000
Nomura Singapore Limited	19,910,000
UBS AG London	61,711,110
	<hr/>
	392,865,080
	<hr/> <hr/>
Bank balances	
China Everbright Bank Co., Ltd., Hong Kong Branch	210,841,113
CMB Wing Lung Bank Limited	217,431,620
DBS Bank Ltd, Hong Kong Branch	237,350,800
Industrial and Commercial Bank of China (Asia) Limited	228,424,550
Ping An Bank Co., Ltd.	8,157
Standard Chartered Bank, Hong Kong	151,710,378
The Hongkong and Shanghai Banking Corporation Limited	276,752,350
United Overseas Bank Limited, Hong Kong Branch	177,514,327
	<hr/>
	1,500,033,295
	<hr/> <hr/>

As at 31 December 2025 and 2024, the credit ratings of the counterparties are at or above investment grade.

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

The Sub-Fund measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2025 and 2024, bank interest receivable, interest receivable from brokers, deposits with brokers and cash and cash equivalents are held with counterparties with high credit rating and are due to be settled within 1 month. Applying the requirements of IFRS 9, the expected credit loss (“ECL”) is immaterial for the Sub-Fund and, as such, no ECL has been recognised within the financial statements.

The maximum exposure to credit risk as at 31 December 2025 and 2024 is the carrying amount of the financial assets as shown on the statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Fund is exposed to daily redemptions of units. The Sub-Fund invest the majority of their assets in securities that are traded in an active market which can be readily disposed of.

The tables below analyse 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 tables 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 <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2025				
Amounts due to participating dealers	26,278,768	-	-	26,278,768
Management fee payable	4,773,527	-	-	4,773,527
Cash collateral payable	5,442,000	-	-	5,442,000
License fee payable	-	-	809,648	809,648
Other accounts payable	996,893	9,120	263,940	1,269,953
Contractual cash outflow	<u>37,491,188</u>	<u>9,120</u>	<u>1,073,588</u>	<u>38,573,896</u>

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

	Less than 1 month <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2024				
Derivative financial instruments	41,379,034	-	-	41,379,034
Amounts due to participating dealers	8,801,710	-	-	8,801,710
Management fee payable	2,407,300	-	-	2,407,300
License fee payable	-	-	412,188	412,188
Other accounts payable	27,923	6,720	620,210	654,853
Contractual cash outflow	<u>52,615,967</u>	<u>6,720</u>	<u>1,032,398</u>	<u>53,655,085</u>

Units are redeemed on demand at the unitholder's option. As at 31 December 2025 and 2024, there were three (2024: two) nominee accounts holding more than 10% of the Sub-Fund's units, representing in aggregate 42.17% (2024: 28.38%) of the total Sub-Fund's units.

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month <i>HKD</i>	1 to 12 months <i>HKD</i>	More than 12 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2025				
Total assets	<u>3,919,934,894</u>	<u>-</u>	<u>-</u>	<u>3,919,934,894</u>
As at 31 December 2024				
Total assets	<u>2,036,561,898</u>	<u>-</u>	<u>-</u>	<u>2,036,561,898</u>

(d) Fair value estimation

The Sub-Fund 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 Sub-Fund 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).

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

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 determination of what constitutes “observable” requires significant judgment by the Sub-Fund. The Sub-Fund consider observable data to be that 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 market.

The following tables analyse within the fair value hierarchy the Sub-Fund’s financial assets and financial liabilities (by class) measured at fair value at 31 December 2025 and 2024:

	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2025				
Assets				
Investments				
- Listed investment funds	847,970,718	-	-	847,970,718
Derivative financial instruments				
- Listed futures contracts	30,310,799	-	-	30,310,799
- Unlisted futures swap contracts	-	43,154,751	-	43,154,751
Total assets	878,281,517	43,154,751	-	921,436,268

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2024				
Assets				
Investments				
- Listed investment funds	143,576,369	-	-	143,576,369
Total assets	<u>143,576,369</u>	<u>-</u>	<u>-</u>	<u>143,576,369</u>
Liabilities				
Derivative financial instruments				
- Listed futures contracts	(23,297,328)	-	-	(23,297,328)
- Unlisted futures swap contracts	-	(18,081,706)	-	(18,081,706)
Total liabilities	<u>(23,297,328)</u>	<u>(18,081,706)</u>	<u>-</u>	<u>(41,379,034)</u>

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

Financial instruments that trade 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. As at 31 December 2025 and 2024, the Sub-Fund classified unlisted futures swap contracts within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2025 and 2024, the Sub-Fund did not hold any investments classified in level 3.

For the years ended 31 December 2025 and 2024, there were no transfers between levels.

(e) Capital risk management

The Sub-Fund's capital is represented by the redeemable units outstanding. The Sub-Fund's objective is to provide investment results that correspond generally to the performance of the Underlying Index. The Manager may:

- Redeem and issue new units on a daily basis in accordance with the constitutive documents of the Sub-Fund;
- Exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders; and
- Suspend the creation and redemption of units under certain circumstances as currently disclosed in the Prospectus of the Sub-Fund.

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(f) Derivative financial instruments

Futures and futures swap

Futures contracts are commitments either to purchase or sell a designated financial instrument, currency, commodity or index at a specified future date for a specified price and may be settled in cash or the underlying financial asset. Futures are standardised exchange-traded contracts. Initial margin requirements for futures are met in cash or other instruments, and changes in futures contract values are marked to market daily. Futures contracts have lower credit risk because the counterparties are futures exchanges.

Futures contracts result in exposure to market risk based on changes in market prices relative to contracted price. Market risks arise due to the possible movement in foreign currency exchange rates, indices, and securities' values underlying these instruments. In addition, because of the low margin deposits normally required in relation to notional contract sizes, a high degree of leverage may be typical of a futures contract and may result in substantial losses to the Sub-Fund. Certain futures exchanges do not permit trading in particular futures contracts at prices that represent a material fluctuation in price during a single day's trading beyond certain present limits. If prices fluctuate during a single day's trading beyond those limits, the Sub-Fund could be prevented from promptly liquidating unfavourable positions and thus could be subject to substantial losses.

The Sub-Fund enter into various swap contracts as part of their investment strategies. Swap contracts are carried at fair value based on a counterparty provided price or valuation model. The model considers various inputs including the fair value of the underlying, the risks associated with the underlying and the specific terms of the contract.

The following futures contracts were unsettled at the date of statement of financial position:

As at 31 December 2025

	Expiration date of contracts	Number of contracts	Notional amount <i>HKD</i>	Position	Fair value <i>HKD</i>
<u>Futures contracts</u>					
HANG SENG INDEX					
FUTURE 29 JANUARY 2026 – BNP	29 JANUARY 2026	(3,004)	(3,852,329,600)	Short	28,972,249
HANG SENG INDEX					
FUTURE 29 JANUARY 2026 – UBS	29 JANUARY 2026	(103)	(132,087,200)	Short	1,338,550
					30,310,799
					30,310,799

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(f) Derivative financial instruments (Continued)

As at 31 December 2025 (Continued)

	Expiration date of contracts	Number of contracts	Notional amount <i>HKD</i>	Position	Fair value <i>HKD</i>
<u>Futures swap contracts</u>					
HANG SENG INDEX					
FUTURE 29 JANUARY 2026 (SWAP) – CSI	29 JANUARY 2026	(200)	(256,480,000)	Short	2,984,000
HANG SENG INDEX					
FUTURE 29 JANUARY 2026 (SWAP) – GSI	29 JANUARY 2026	(800)	(1,025,920,000)	Short	11,112,000
HANG SENG INDEX					
FUTURE 29 JANUARY 2026 (SWAP) – HSBC	29 JANUARY 2026	(200)	(256,480,000)	Short	2,949,189
HANG SENG INDEX					
FUTURE 29 JANUARY 2026 (SWAP) – NOM	29 JANUARY 2026	(1,750)	(2,244,200,000)	Short	26,109,562
					43,154,751
					43,154,751

As at 31 December 2024

	Expiration date of contracts	Number of contracts	Notional amount <i>HKD</i>	Position	Fair value <i>HKD</i>
<u>Futures contracts</u>					
HANG SENG INDEX					
FUTURE 30 January 2025 – BNP	30 January 2025	(2,147)	(2,156,339,450)	Short	(19,414,328)
HANG SENG INDEX					
FUTURE 30 January 2025 – UBS	30 January 2025	(313)	(314,361,550)	Short	(3,883,000)
					(23,297,328)
					(23,297,328)
<u>Futures swap contracts</u>					
HANG SENG INDEX					
FUTURE 30 January 2025 (SWAP) – HSBC	30 January 2025	(500)	(502,175,000)	Short	(5,644,675)
HANG SENG INDEX					
FUTURE 30 January 2025 (SWAP) – JPM	30 January 2025	(500)	(502,175,000)	Short	(6,017,000)
HANG SENG INDEX					
FUTURE 30 January 2025 (SWAP) – NOM	30 January 2025	(500)	(502,175,000)	Short	(6,420,031)
					(18,081,706)
					(18,081,706)

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(g) Interest in other entities

The Sub-Fund's investments in an investment fund are subject to the terms and conditions of the respective investment funds' offering documentation and are susceptible to market price risk arising from uncertainties about future values of such investment fund. The Manager makes investment decisions after extensive due diligence of the underlying fund, its strategy and the overall quality of the underlying funds' manager.

As at 31 December 2025, the Sub-fund invested in CSOP Hong Kong Dollar Money Market ETF unlisted class A (2024: CSOP Hong Kong Dollar Money Market ETF unlisted class A), CSOP US Dollar Money Market ETF listed and unlisted class A (2024: CSOP US Dollar Money Market ETF unlisted class A). The right of the Sub-Fund to request redemption of its investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A, CSOP US Dollar Money Market ETF listed and unlisted class A are on a daily basis.

The Sub-Fund's exposure to investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A, CSOP US Dollar Money Market ETF listed and unlisted class A at fair value is disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

As at 31 December 2025

Fund Name	Net asset value of CSOP Hong Kong Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP Hong Kong Dollar Money Market ETF Unlisted Class A	8,280,148,991	788,036,760	20.31

Fund Name	Net asset value of CSOP US Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP US Dollar Money Market ETF	6,791,454,961	59,933,958	1.54

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(g) Interest in other entities (Continued)

As at 31 December 2024

Fund Name	Net asset value of CSOP Hong Kong Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	6,261,153,923	86,619,258	4.37%

Fund Name	Net asset value of CSOP US Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP US Dollar Money Market ETF	6,759,016,787	56,957,111	2.87%

The investment objective of the CSOP Hong Kong Dollar Money Market ETF is to invest in short-term deposits and high-quality money market instruments. It seeks to achieve a return in Hong Kong Dollars in line with prevailing money market rates.

The investment objective of the CSOP US Dollar Money Market ETF is to invest in short-term deposits and high-quality money market instruments. It seeks to achieve a return in US Dollars in line with prevailing money market rates.

The Sub-Fund's maximum exposure to loss from its interests in CSOP Hong Kong Dollar Money Market ETF unlisted class A (2024: in CSOP Hong Kong Dollar Money Market ETF unlisted class A), CSOP US Dollar Money Market ETF listed and unlisted class A (2024: CSOP US Dollar Money Market ETF unlisted class A) is equal to the total fair value of its investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A (2024: in CSOP Hong Kong Dollar Money Market ETF unlisted class A) and CSOP US Dollar Money Market ETF listed and unlisted class A respectively (2024: CSOP US Dollar Money Market ETF unlisted class A).

Once the Sub-Fund has disposed of its share in CSOP Hong Kong Dollar Money Market ETF unlisted class A (2024: in CSOP Hong Kong Dollar Money Market ETF unlisted class A) and CSOP US Dollar Money Market ETF listed and unlisted class A (2024: CSOP US Dollar Money Market ETF unlisted class A), the Sub-Fund ceases to be exposed to any risk from CSOP Hong Kong Dollar Money Market ETF unlisted class A (2024: in CSOP Hong Kong Dollar Money Market ETF unlisted class A) and CSOP US Dollar Money Market ETF listed and unlisted class A respectively (2024: CSOP US Dollar Money Market ETF unlisted class A).

As at 31 December 2025, there were no capital commitment obligations and no amounts due to CSOP Hong Kong Dollar Money Market ETF unlisted class A (2024: CSOP Hong Kong Dollar Money Market ETF unlisted class A) and CSOP US Dollar Money Market ETF listed and unlisted class A (2024: CSOP US Dollar Money Market ETF unlisted class A) for unsettled purchases.

During the years ended 31 December 2025 and 2024, total net gain on investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A were HKD8,450,944 (2024: HKD3,764,799) and from CSOP US Dollar Money Market ETF listed and unlisted class A were HKD3,404,257 (2024: unlisted Class A HKD6,787,150).

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

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

As at 31 December 2025 and 2024, the Sub-Fund is subject to master netting arrangements for the derivative assets and liabilities of the Sub-Fund held with these counterparties. All of the derivative assets and liabilities of the Sub-Fund are held with these counterparties and the margin balances maintained by the Sub-Fund is for the purpose of providing collateral on derivative positions.

The following tables present the Sub-Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instruments.

	A	B	C = A - B	D		E = C - D
		Gross amounts of recognised financial liabilities set- off in the Statement of Financial Position <i>HKD</i>	Net amounts of financial assets presented in the Statement of Financial Position <i>HKD</i>	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial assets <i>HKD</i>			D(i)	D(ii)	
				Financial instruments <i>HKD</i>	Collateral <i>HKD</i>	Net amount <i>HKD</i>
As at 31 December 2025						
Financial assets						
Deposits with brokers	711,454,151	-	711,454,151	-	-	711,454,151
Derivative Financial instrument						
- Listed futures contracts	30,310,799	-	30,310,799	-	-	30,310,799
- Unlisted futures swap contracts	43,154,751	-	43,154,751	-	5,442,000	37,712,751
	<u>784,919,701</u>	<u>-</u>	<u>784,919,701</u>	<u>-</u>	<u>5,442,000</u>	<u>779,477,701</u>

As at 31 December 2024

Financial assets

Deposits with brokers	392,865,080	-	392,865,080	41,379,034	-	351,486,046
	<u>392,865,080</u>	<u>-</u>	<u>392,865,080</u>	<u>41,379,034</u>	<u>-</u>	<u>351,486,046</u>

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

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

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial assets	Net amounts of financial liabilities presented in the	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial liabilities <i>HKD</i>	set-off in the Statement of Financial Position <i>HKD</i>	Statement of Financial Position <i>HKD</i>	D(i)	D(ii)	Net amount <i>HKD</i>
				Financial instruments <i>HKD</i>	Collateral <i>HKD</i>	
As at 31 December 2025						
Financial liabilities						
Cash collateral payable	5,442,000	-	5,442,000	5,442,000	-	-
	<u>5,442,000</u>	<u>-</u>	<u>5,442,000</u>	<u>5,442,000</u>	<u>-</u>	<u>-</u>
	<u><u>5,442,000</u></u>	<u><u>-</u></u>	<u><u>5,442,000</u></u>	<u><u>5,442,000</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
As at 31 December 2024						
Financial liabilities						
Derivative financial instrument						
- Listed futures contracts	23,297,328	-	23,297,328	-	23,297,328	-
- Unlisted futures swap contracts	18,081,706	-	18,081,706	-	18,081,706	-
	<u>41,379,034</u>	<u>-</u>	<u>41,379,034</u>	<u>-</u>	<u>41,379,034</u>	<u>-</u>
	<u><u>41,379,034</u></u>	<u><u>-</u></u>	<u><u>41,379,034</u></u>	<u><u>-</u></u>	<u><u>41,379,034</u></u>	<u><u>-</u></u>

Amount in D(i) and D(ii) above relate to amounts to set-off that do not qualify for offsetting under (B) above. This includes (i) amounts which are subject to set-off against the asset (or liability) disclosed in (A) which have not been offset in the statement of financial position and (ii) any financial collateral (including cash collateral), both received and pledged.

The Sub-Fund and its counterparties have elected to settle all transactions on a gross basis. However, each party has the option to settle all open contracts on a net basis in the event of default of the other party. Per the terms of the master netting agreement, an event of default includes the following:

- failure by a party to make payment when due;
- bankruptcy.

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NOTES TO THE FINANCIAL STATEMENTS

9. DEPOSITS WITH BROKERS/CASH COLLATERAL PAYABLE

Included in deposits with brokers are margin deposit of HKD354,552,198 (2024: HKD279,738,900), which are pledged as collateral against open futures contracts. Refer to Note 8(b).

As at 31 December 2025, cash collateral received from open futures swap contracts amounting to HKD5,442,000 (2024: Nil).

10. FINANCIAL INSTRUMENTS BY CATEGORY

As of 31 December 2025, and 2024, all financial assets, other than investments and derivative financial instruments as disclosed in the financial statements which are classified as financial assets at fair value through profit or loss, are categorised as per IFRS 9 and carried at amortised costs. All the financial liabilities, except for derivative financial instruments which are classified as financial liabilities at fair value through profit or loss, of the Sub-Fund are carried at amortised cost.

11. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

There was one security (2024: Nil) which is a collective investment scheme authorised by the SFC that individually accounted for more than 10% but less than 30% of the net asset value of the Sub-Fund as at 31 December 2025.

As at 31 December 2025

	Fair Value <i>HKD</i>	% of net assets
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	788,036,760	20.31

For the year ended 31 December 2025, the Underlying Index increased by 27.77% (2024: increased by 17.67%) while the net asset value per unit of the Sub-Fund decreased by 49.71% (2024: decreased by 41.05%).

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NOTES TO THE FINANCIAL STATEMENTS

12. SOFT COMMISSION ARRANGEMENTS

The Manager confirms that there have been no soft commission arrangements existing during the years ended 31 December 2025 and 2024 in relation to directing transactions of the Sub-Fund through a broker or dealer.

13. SEGMENT INFORMATION

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

The Manager considers that the Sub-Fund has a single operating segment which is mainly investing in securities. The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the two times inverse (-2x) of the daily performance of the Underlying Index.

The internal financial information used by the Manager for the Sub-Fund's assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund's income is mainly derived from investments in futures contracts to obtain the required exposure to the Underlying Index, the tracked index.

The Sub-Fund has no non-current assets. As at 31 December 2025, the Sub-Fund has invested in collective investment scheme which account for more than 10% of the Sub-Fund's net asset value. As at 31 December 2024, the Sub-Fund has no collective investment scheme which accounts for more than 10% of the Sub-Fund's net asset value.

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustee and the Manager on 27 April 2026.

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2025

	Holdings	Fair value HKD	% of net assets
Investments and derivative financial instruments (23.74%)			
Listed investment funds (21.85%)			
Hong Kong (21.85%)			
Listed Class			
CSOP US DOLLAR MONEY MARKET ETF LISTED CLASS	491	461,782	0.01
Unlisted Class			
CSOP HONG KONG DOLLAR MONEY MARKET ETF UNLISTED CLASS	67,302,948	788,036,760	20.31
CSOP US DOLLAR MONEY MARKET ETF UNLISTED CLASS	6,323,159	59,472,176	1.53
Total listed investment funds		<u>847,970,718</u>	<u>21.85</u>
Listed futures contracts (0.78%)			
Hong Kong (0.78%)			
HANG SENG INDEX FUTURE 29 JANUARY 2026 – BNP	(3,004)	28,972,249	0.75
HANG SENG INDEX FUTURE 29 JANUARY 2026 – UBS	(103)	1,338,550	0.03
Total listed futures contracts		<u>30,310,799</u>	<u>0.78</u>

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 31 December 2025

	Holdings	Fair value HKD	% of net assets
Investments and derivative financial instruments (23.74%) (Continued)			
Unlisted futures swap contracts (1.11%)	Contracts		
Hong Kong (1.11%)			
HANG SENG INDEX FUTURE 29 JANUARY 2026 (SWAP) – CSI	(200)	2,984,000	0.08
HANG SENG INDEX FUTURE 29 JANUARY 2026 (SWAP) – GSI	(800)	11,112,000	0.29
HANG SENG INDEX FUTURE 29 JANUARY 2026 (SWAP) – HSBC	(200)	2,949,189	0.08
HANG SENG INDEX FUTURE 29 JANUARY 2026 (SWAP) – NOM	(1,750)	26,109,562	0.66
Total unlisted futures swap contracts		<u>43,154,751</u>	<u>1.11</u>
Total investments and derivative financial instruments		921,436,268	23.74
Other net assets		<u>2,959,924,730</u>	<u>76.26</u>
Net assets attributable to unitholders as at 31 December 2025		<u><u>3,881,360,998</u></u>	<u><u>100.00</u></u>
Total investments and derivative financial instruments, at cost		<u><u>837,666,379</u></u>	

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the year ended 31 December 2025

	% of net asset value 2025	% of net asset value 2024
Listed investment funds		
Hong Kong	21.85	7.24
	<hr/>	<hr/>
	21.85	7.24
Listed futures contracts		
Hong Kong	0.78	(1.18)
	<hr/>	<hr/>
	0.78	(1.18)
Unlisted futures swap contracts		
Hong Kong	1.11	(0.91)
	<hr/>	<hr/>
Total investments and derivative financial instruments	23.74	5.15
Other net assets	76.26	94.85
	<hr/>	<hr/>
Total net assets	100.00	100.00
	<hr/> <hr/>	<hr/> <hr/>

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 31 December 2025

The financial derivative instruments held by the Sub-Fund as at 31 December 2025 are summarised below:

Futures contracts

The details of futures contracts held by the Sub-Fund as at 31 December 2025 are as follows:

Description	Expiration date	Underlying assets	Position	Counterparty	Fair value <i>HKD</i>
Financial assets:					
HANG SENG INDEX FUTURE 29 January 2026	29 January 2026	Hang Seng Index	Short	BNP Paribas	28,972,249
HANG SENG INDEX FUTURE 29 January 2026	29 January 2026	Hang Seng Index	Short	UBS AG London	1,338,550
					30,310,799

Futures swap contracts

The details of outstanding futures swap contracts held by the Sub-Fund as at 31 December 2025 are as follows:

Description	Expiration date	Underlying assets	Position	Counterparty	Fair value <i>HKD</i>
Financial assets:					
HANG SENG INDEX FUTURE 29 January 2026 (SWAP)	29 January 2026	Hang Seng Index	Short	CITIC Securities International Capital Management Limited	2,984,000
HANG SENG INDEX FUTURE 29 January 2026 (SWAP)	29 January 2026	Hang Seng Index	Short	Goldman Sachs International	11,112,000
HANG SENG INDEX FUTURE 29 January 2026 (SWAP)	29 January 2026	Hang Seng Index	Short	HSBC Bank Plc	2,949,189
HANG SENG INDEX FUTURE 29 January 2026 (SWAP)	29 January 2026	Hang Seng Index	Short	Nomura Singapore Limited	26,109,562
					43,154,751

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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**DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)
(Continued)**

Swap fees

The swap fees of the Sub-Fund, which will comprise: (i) a fixed fee payable each time the Sub-Fund enters into a swap transaction, subject to a minimum annual fee; and (ii) a fixed rate of entering fees for the entering of Swaps.

The swap fees, including all costs associated with swap transactions, represent a variable spread (which can be positive or negative) plus HIBOR which reflects the brokerage commission and the swap counterparty's costs of financing the underlying hedge in order to provide the performance, the two times inverse performance of the Underlying Index futures. 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.

The swap fees of the Sub-Fund was HKD19,990,665* (2024: HKD6,565,756) for the year ended 31 December 2025.

* 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.

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HOLDINGS OF COLLATERAL (UNAUDITED)

Collateral provider	Nature of the collateral	Maturity tenor	Currency denomination	% of net asset value covered by collateral	Value of the collateral* HKD
HSBC Bank Plc	Cash	N/A	USD	0.07%	2,721,000
CITIC Securities International Capital Management Limited	Cash	N/A	USD	0.07%	2,721,000
				0.14%	5,442,000
				0.14%	5,442,000

*As at 31 December 2025, the credit ratings of counterparties and collaterals are at or above investment grade.

Custody/safe-keeping arrangement

	Amount of collateral received/held 31 December 2025 HKD	Proportion of collateral posted by the sub-fund 31 December 2025
Custodians of collateral securities		
Pooled accounts		
The Hongkong and Shanghai Banking Corporation Limited, Hong Kong	5,442,000	100.00%

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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**INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS
(Unaudited)**

For the year ended 31 December 2025

The following table shows the lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Sub-Fund's total net asset value for the years ended 31 December 2025 and 2024.

	31 December 2025	31 December 2024
	% of NAV	% of NAV
Lowest gross exposure	(202.91)	(203.55)
Highest gross exposure	(198.67)	(198.11)
Average gross exposure	(200.11)	(200.05)

The following table shows the lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Sub-Fund's total net asset value for the years ended 31 December 2025 and 2024.

	31 December 2025	31 December 2024
	% of NAV	% of NAV
Lowest net exposure	(202.91)	(203.55)
Highest net exposure	(198.67)	(198.11)
Average net exposure	(200.11)	(200.05)

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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PERFORMANCE RECORD (Unaudited)

Net asset value

	Net asset value of the Sub-Fund <i>HKD</i>	Net asset value per unit <i>HKD</i>
At the end of financial year dated		
31 December 2025	3,881,360,998	1.8413
31 December 2024	1,982,906,813	3.6612
31 December 2023*	1,127,954,567	6.2112

Highest and lowest net asset value per unit

	Highest issue price per unit <i>HKD</i>	Lowest redemption price per unit <i>HKD</i>
Financial year/period ended		
31 December 2025	4.1183	1.6553
31 December 2024	8.0414	2.9130
31 December 2023	6.9062	4.0516
31 December 2022	10.4954	4.8803
31 December 2021	6.0370	3.8853
31 December 2020	10.0115	5.0943
31 December 2019 (Since 24 May 2019 (date of inception))	8.0923	6.1870

*The net asset value of the Sub-Fund disclosed is on a non-dealing day and is calculated in accordance with the Trust's Prospectus.

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

MANAGEMENT AND ADMINISTRATION

Manager

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

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Custodian

The Hongkong and Shanghai Banking Corporation
Limited
1 Queen's Road Central
Hong Kong

Service Agent

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

Listing Agent

Altus Capital Limited
21 Wing Wo Street
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

Legal Counsel to the Manager

Simmons & Simmons
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