

CSOP LEVERAGED AND INVERSE SERIES II

REPORTS AND FINANCIAL STATEMENTS

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

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

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

CSOP CSI 300 INDEX DAILY (-1X) INVERSE PRODUCT
(Stock Code: 7333)

CSOP FTSE CHINA A50 INDEX DAILY (2X) LEVERAGED PRODUCT
(Stock Code: 7248)

CSOP FTSE CHINA A50 INDEX DAILY (-1X) INVERSE PRODUCT
(Stock Code: 7348)

FOR THE YEAR ENDED 31 DECEMBER 2022

CSOP GOLD FUTURES DAILY (-1X) INVERSE PRODUCT
(Stock Code: 7374)

FOR THE PERIOD FROM 19 OCTOBER 2021 (DATE OF COMMENCEMENT OF
OPERATIONS) TO 31 DECEMBER 2022

CSOP WTI CRUDE OIL FUTURES DAILY (-1X) INVERSE PRODUCT
(Stock Code: 7345)

FOR THE PERIOD FROM 30 NOVEMBER 2021 (DATE OF COMMENCEMENT
OF OPERATIONS) TO 31 DECEMBER 2022

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

CSOP LEVERAGED AND INVERSE SERIES II

CONTENTS	Pages
Report of the trustee to the unitholders	1
Independent auditor's report	2 - 13
Audited financial statements	
Statement of net assets	14 - 15
Statement of profit or loss and other comprehensive income	16 - 17
Statement of changes in net assets attributable to unitholders	18 - 19
Statement of cash flows	20 - 29
Notes to the financial statements	30 - 121
Investment portfolio (Unaudited)	122 - 129
Statement of movements in investment portfolio (Unaudited)	130 - 137
Holdings of Collateral (Unaudited)	138 - 139
Performance record (Unaudited)	140 - 142
Information on exposure arising from financial derivative instruments (Unaudited)	143 - 144
Management and administration	145

CSOP LEVERAGED AND INVERSE SERIES II

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

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

- CSOP NASDAQ-100 Index Daily (2x) Leveraged Product
- CSOP Gold Futures Daily (2x) Leveraged Product
- CSOP CSI 300 Index Daily (2x) Leveraged Product
- CSOP CSI 300 Index Daily (-1x) Inverse Product
- CSOP FTSE China A50 Index Daily (2x) Leveraged Product
- CSOP FTSE China A50 Index Daily (-1x) Inverse Product

For the year ended 31 December 2022

- CSOP Gold Futures Daily (-1x) Inverse Product

For the period from 19 October 2021 (date of commencement of operations) to 31 December 2022

- CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product

For the period from 30 November 2021 (date of commencement of operations) to 31 December 2022

Cititrust Limited (the “Trustee”)

27 April 2023

Independent auditor's report

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product (collectively the "Sub-Funds") CSOP Leveraged and Inverse Series II (the "Trust")

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product and CSOP FTSE China A50 Index Daily (-1x) Inverse Product for the year ended 31 December 2022, CSOP Gold Futures Daily (-1x) Inverse Product for the period from 19 October 2021 (date of commencement of operations) to 31 December 2022 and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product for the period from 30 November 2021 (date of commencement of operations) to 31 December 2022 (collectively, the "Sub-Funds") set out on pages 14 to 121, which comprise the statement of net assets as at 31 December 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders and the statement of cash flows for the year/period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Funds as at 31 December 2022, and of its financial transactions and its cash flows for the year/period then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 are independent of the Sub-Funds in accordance with the *Code of Ethics for Professional Accountants* (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor’s report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product (collectively the “Sub-Funds”) CSOP Leveraged and Inverse Series II (the “Trust”)

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

Key audit matters

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

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

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

Key audit matter	How our audit addressed the key audit matter
<i>Existence and valuation of financial assets and financial liabilities at fair value through profit or loss</i>	
<p>As at 31 December 2022, the financial assets and financial liabilities at fair value through profit or loss were valued at US\$1,622,879 and US\$1,143,284 respectively, which represented 17.7% and 12.5% of the net asset value of the Sub-Fund. The financial asset comprised money market funds traded on the Hong Kong Stock Exchange and money market funds traded over-the-counter. The financial liabilities comprised futures contracts traded on the Chicago Mercantile Exchange.</p> <p>We focused on this area because the financial assets and financial liabilities at fair value through profit or loss were significant to the trading strategy and performance of the Sub-Fund.</p> <p>Disclosures in respect of the financial assets and financial liabilities at fair value through profit or loss are set out in the summary of significant accounting policies and notes 11, 13(b)(i) and 13(e) to the financial statements.</p>	<p>The procedures we performed to address the key audit matter included:</p> <ul style="list-style-type: none">• Obtained independent confirmations from the brokers and custodians of the investment portfolio held at 31 December 2022 and agreed the quantities held to the Sub-Fund's accounting records.• Tested the design and operating effectiveness of financial instrument valuation controls.• Tested the valuation of the financial assets and financial liabilities at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets and financial liabilities to third-party sources at 31 December 2022.• Assessed the adequacy of disclosures relating to financial assets and financial liabilities at fair value through profit or loss in the financial statements.

Independent auditor’s report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product (collectively the “Sub-Funds”) CSOP Leveraged and Inverse Series II (the “Trust”)

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

Key audit matters (continued)

CSOP Gold Futures Daily (2x) Leveraged Product

Key audit matter	How our audit addressed the key audit matter
<i>Existence and valuation of financial assets at fair value through profit or loss</i>	
<p>As at 31 December 2022, the financial assets at fair value through profit or loss were valued at US\$56,750,211 which represented 29.3% of the net asset value of the Sub-Fund. The financial assets comprised swap future contracts traded over-the-counter, futures contracts traded on the New York Commodity Exchange, money market funds traded on the Hong Kong Stock Exchange and money market funds traded over-the-counter.</p> <p>We focused on this area because the financial assets at fair value through profit or loss were significant to the trading strategy and performance of the Sub-Fund.</p> <p>Disclosures in respect of the financial assets at fair value through profit or loss are set out in the summary of significant accounting policies and notes 11, 13(b)(i) and 13(e) to the financial statements.</p>	<p>The procedures we performed to address the key audit matter included:</p> <ul style="list-style-type: none">• Obtained independent confirmations from the brokers and custodians of the investment portfolio held at 31 December 2022 and agreed the quantities held to the Sub-Fund's accounting records.• Tested the design and operating effectiveness of financial instrument valuation controls.• Tested the valuation of the financial assets at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets to third-party sources at 31 December 2022.• For the swap future contracts traded over-the-counter we evaluated the valuation techniques applied and validated observable inputs to external market data, and reperformed the valuation based on the observable inputs.• Assessed the adequacy of disclosures relating to financial assets at fair value through profit or loss in the financial statements.

Independent auditor’s report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product (collectively the “Sub-Funds”) CSOP Leveraged and Inverse Series II (the “Trust”)

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

Key audit matters (continued)

CSOP CSI 300 Index Daily (2x) Leveraged Product

Key audit matter	How our audit addressed the key audit matter
<p><i>Existence and valuation of financial assets and financial liabilities at fair value through profit or loss</i></p> <p>As at 31 December 2022, the financial assets and financial liabilities at fair value through profit or loss were valued at RMB32,742,031 and RMB2,235,587 respectively, represented 16.2% and 1.1% of the net asset value of the Sub-Fund. The financial assets comprised money market funds traded on the Hong Kong Stock Exchange and forward contracts traded over-the-counter. The financial liabilities comprised total return swaps traded over-the-counter.</p> <p>We focused on this area because the financial assets and financial liabilities at fair value through profit or loss were significant to the trading strategy and performance of the Sub-Fund.</p> <p>Disclosures in respect of the financial assets and financial liabilities at fair value through profit or loss are set out in the summary of significant accounting policies and notes 11, 13(b)(i) and 13(e) to the financial statements.</p>	<p>The procedures we performed to address the key audit matter included:</p> <ul style="list-style-type: none">• Obtained independent confirmations from the brokers and custodians of the investment portfolio held at 31 December 2022 and agreed the quantities held to the Sub-Fund's accounting records.• Tested the design and operating effectiveness of financial instrument valuation controls.• Tested the valuation of the financial assets and financial liabilities at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets and financial liabilities to third-party sources at 31 December 2022.• For the total return swap and forward contracts traded over-the-counter we evaluated the valuation techniques applied and validated observable inputs to external market data, and reperformed the valuation based on the observable inputs.• Assessed the adequacy of disclosures relating to financial assets and financial liabilities at fair value through profit or loss in the financial statements.

Independent auditor’s report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product (collectively the “Sub-Funds”) CSOP Leveraged and Inverse Series II (the “Trust”)

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

Key audit matters (continued)

CSOP CSI 300 Index Daily (-1x) Inverse Product

Key audit matter	How our audit addressed the key audit matter
<p><i>Existence and valuation of financial assets and financial liabilities at fair value through profit or loss</i></p> <p>As at 31 December 2022, the financial assets and financial liabilities at fair value through profit or loss were valued at RMB297,363 and RMB93,336 respectively, represented 1.2% and 0.4% of the net asset value of the Sub-Fund. The financial assets comprised forward contracts and total return swaps traded over-the-counter. The financial liabilities comprised forward contracts traded over-the-counter.</p> <p>We focused on this area because the financial assets and financial liabilities at fair value through profit or loss were significant to the trading strategy and performance of the Sub-Fund.</p> <p>Disclosures in respect of the financial assets and financial liabilities at fair value through profit or loss are set out in the summary of significant accounting policies and notes 11, 13(b)(i) and 13(e) to the financial statements.</p>	<p>The procedures we performed to address the key audit matter included:</p> <ul style="list-style-type: none">• Obtained independent confirmations from the brokers and custodians of the investment portfolio held at 31 December 2022 and agreed the quantities held to the Sub-Fund's accounting records.• Tested the design and operating effectiveness of financial instrument valuation controls.• Tested the valuation of the financial assets and financial liabilities at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets and financial liabilities to third-party sources at 31 December 2022.• For the total return swap and forward contracts traded over-the-counter we evaluated the valuation techniques applied and validated observable inputs to external market data, and reperformed the valuation based on the observable inputs.• Assessed the adequacy of disclosures relating to financial assets and financial liabilities at fair value through profit or loss in the financial statements.

Independent auditor’s report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product (collectively the “Sub-Funds”) CSOP Leveraged and Inverse Series II (the “Trust”)

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

Key audit matters (continued)

CSOP FTSE China A50 Index Daily (2x) Leveraged Product

Key audit matter	How our audit addressed the key audit matter
<p><i>Existence and valuation of financial assets and financial liabilities at fair value through profit or loss</i></p> <p>As at 31 December 2022, the financial assets and financial liabilities at fair value through profit or loss were valued at US\$1,193,673 and US\$99,688 respectively, which represented 37.0% and 3.1% of the net asset value of the Sub-Fund. The financial assets comprised money market funds traded on the Hong Kong Stock Exchange. The financial liabilities comprised total return swaps traded over-the-counter.</p> <p>We focused on this area because the financial assets and financial liabilities at fair value through profit or loss were significant to the trading strategy and performance of the Sub-Fund.</p> <p>Disclosures in respect of the financial assets and financial liabilities at fair value through profit or loss are set out in the summary of significant accounting policies and notes 11, 13(b)(i) and 13(e) to the financial statements.</p>	<p>The procedures we performed to address the key audit matter included:</p> <ul style="list-style-type: none">• Obtained independent confirmations from the brokers and custodians of the investment portfolio held at 31 December 2022 and agreed the quantities held to the Sub-Fund's accounting records.• Tested the design and operating effectiveness of financial instrument valuation controls.• Tested the valuation of the financial assets and financial liabilities at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets and financial liabilities to third-party sources at 31 December 2022.• For the total return swap traded over-the-counter we evaluated the valuation techniques applied and validated observable inputs to external market data, and reperformed the valuation based on the observable inputs.• Assessed the adequacy of disclosures relating to financial assets and financial liabilities at fair value through profit or loss in the financial statements.

Independent auditor’s report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product (collectively the “Sub-Funds”) CSOP Leveraged and Inverse Series II (the “Trust”)

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

Key audit matters (continued)

CSOP FTSE China A50 Index Daily (-1x) Inverse Product

Key audit matter	How our audit addressed the key audit matter
<i>Existence and valuation of financial assets at fair value through profit or loss</i>	
<p>As at 31 December 2022, the financial assets at fair value through profit or loss were valued at US\$1,105,314 which represented 39.9% of the net asset value of the Sub-Fund. The financial assets comprised total return swaps traded over-the-counter and money market funds traded on the Hong Kong Stock Exchange.</p> <p>We focused on this area because the financial assets at fair value through profit or loss were significant to the trading strategy and performance of the Sub-Fund.</p> <p>Disclosures in respect of the financial assets at fair value through profit or loss are set out in the summary of significant accounting policies and notes 11, 13(b)(i) and 13(e) to the financial statements.</p>	<p>The procedures we performed to address the key audit matter included:</p> <ul style="list-style-type: none">• Obtained independent confirmations from the brokers and custodians of the investment portfolio held at 31 December 2022 and agreed the quantities held to the Sub-Fund's accounting records.• Tested the design and operating effectiveness of financial instrument valuation controls.• Tested the valuation of the financial assets at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets to third-party sources at 31 December 2022.• For the total return swap traded over-the-counter we evaluated the valuation techniques applied and validated observable inputs to external market data, and reperformed the valuation based on the observable inputs.• Assessed the adequacy of disclosures relating to financial assets at fair value through profit or loss in the financial statements.

Independent auditor’s report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product (collectively the “Sub-Funds”) CSOP Leveraged and Inverse Series II (the “Trust”)

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

Key audit matters (continued)

CSOP Gold Futures Daily (-1x) Inverse Product

Key audit matter	How our audit addressed the key audit matter
<p><i>Existence and valuation of financial assets and financial liabilities at fair value through profit or loss</i></p> <p>As at 31 December 2022, the financial assets and financial liabilities at fair value through profit or loss were valued at US\$436,388 and US\$83,830 respectively, which represented 19.5% and 3.8% of the net asset value of the Sub-Fund. The financial assets comprised money market funds traded on the Hong Kong Stock Exchange and money market funds traded over-the-counter. The financial liabilities comprised future contracts traded on the New York Commodity Exchange.</p> <p>We focused on this area because the financial assets and financial liabilities at fair value through profit or loss were significant to the trading strategy and performance of the Sub-Fund.</p> <p>Disclosures in respect of the financial assets and financial liabilities at fair value through profit or loss are set out in the summary of significant accounting policies and notes 11, 13(b)(i) and 13(e) to the financial statements.</p>	<p>The procedures we performed to address the key audit matter included:</p> <ul style="list-style-type: none">• Obtained independent confirmations from the brokers and custodians of the investment portfolio held at 31 December 2022 and agreed the quantities held to the Sub-Fund's accounting records.• Tested the design and operating effectiveness of financial instrument valuation controls.• Tested the valuation of the financial assets and financial liabilities at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets and financial liabilities to third-party sources at 31 December 2022.• Assessed the adequacy of disclosures relating to financial assets and financial liabilities at fair value through profit or loss in the financial statements.

Independent auditor’s report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product (collectively the “Sub-Funds”) CSOP Leveraged and Inverse Series II (the “Trust”)

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

Key audit matters (continued)

CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product

Key audit matter	How our audit addressed the key audit matter
<p><i>Existence and valuation of financial assets and financial liabilities at fair value through profit or loss</i></p> <p>As at 31 December 2022, the financial assets and financial liabilities at fair value through profit or loss were valued at US\$419,666 and US\$165,760 respectively, which represented 19.5% and 7.7% of the net asset value of the Sub-Fund. The financial assets comprised money market funds traded over-the-counter. The financial liabilities comprised futures contracts traded on the New York Mercantile Exchange.</p> <p>We focused on this area because the financial assets and financial liabilities at fair value through profit or loss were significant to the trading strategy and performance of the Sub-Fund.</p> <p>Disclosures in respect of the financial assets and financial liabilities at fair value through profit or loss are set out in the summary of significant accounting policies and notes 11, 13(b)(i) and 13(e) to the financial statements.</p>	<p>The procedures we performed to address the key audit matter included:</p> <ul style="list-style-type: none">• Obtained independent confirmations from the brokers and custodians of the investment portfolio held at 31 December 2022 and agreed the quantities held to the Sub-Fund's accounting records.• Tested the design and operating effectiveness of financial instrument valuation controls.• Tested the valuation of the financial assets and financial liabilities at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets and financial liabilities to third-party sources at 31 December 2022.• Assessed the adequacy of disclosures relating to financial assets and financial liabilities at fair value through profit or loss in the financial statements.

Independent auditor's report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product (collectively the "Sub-Funds") CSOP Leveraged and Inverse Series II (the "Trust")

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

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

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

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

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

Responsibilities of the Manager and the Trustee for the Financial Statements

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

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

In addition, the Manager and the Trustee of the Sub-Funds are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 24 April 2020 as amended by the supplemental deeds dated 24 April 2020, 19 May 2020, 10 July 2020, 23 December 2020, 19 October 2021 and 30 November 2021 (collectively, the "Trust Deed") and Appendix E of the *Code on Unit Trusts and Mutual Funds* (the "SFC Code") issued by the Securities and Futures Commission of Hong Kong.

Independent auditor's report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product (collectively the "Sub-Funds") CSOP Leveraged and Inverse Series II (the "Trust")

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

Auditor's responsibilities for the audit of the financial statements

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

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional 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-Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.
- Conclude on the appropriateness of the Manager and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report (continued)

To the unitholders of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product (collectively the "Sub-Funds") CSOP Leveraged and Inverse Series II (the "Trust")

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

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

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

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

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

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

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

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

Certified Public Accountants

Hong Kong

27 April 2023

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF NET ASSETS

As at 31 December 2022

	Notes	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (-1x) Inverse Product	
		2022	2021	2022	2021	2022	2021	2022	2021
		US\$	US\$	US\$	US\$	RMB	RMB	RMB	RMB
ASSETS									
Financial assets at fair value through profit or loss	11	1,622,879	369,544	56,750,211	55,660,230	32,742,031	127,849,630	297,363	70,503,426
Interest receivable		–	28	3,858	3,004	–	–	–	9,456
Other receivables	5(j), 5(k)	2,581	2,648	36,768	47,538	44,172	134,981	15,601	73,375
Amounts due from participating dealers		–	–	–	–	–	–	–	2,200
Amounts due from broker	6	–	–	–	–	–	–	806	–
Margin accounts	6	3,743,624	597,901	37,230,118	57,583,183	92,671,062	83,847,069	10,413,933	32,331,845
Cash and cash equivalents	7	4,990,020	1,342,546	101,971,880	128,529,267	81,477,647	62,960,277	15,836,306	65,026,037
TOTAL ASSETS		<u>10,359,104</u>	<u>2,312,667</u>	<u>195,992,835</u>	<u>241,823,222</u>	<u>206,934,912</u>	<u>274,791,957</u>	<u>26,564,009</u>	<u>167,946,339</u>
LIABILITIES									
Financial liabilities at fair value through profit or loss	11	1,143,284	–	–	6,646,874	2,235,587	287,967	93,336	2,045,136
Interest payable from swap contracts		–	–	–	–	780,590	461,934	–	130,051
Amounts due to participating dealers		–	–	–	–	–	–	–	8,982,408
Amounts due to broker	6	–	–	–	12	–	–	–	17,419
Management fee payable	5(a)	21,046	–	774,460	914,637	887,043	1,144,297	293,785	731,172
Other payables and accruals		31,070	14,338	89,285	68,558	544,216	407,743	502,547	379,018
Cash collateral liabilities	5(l)	–	–	1,520,000	50,000	–	3,350,416	–	100,000
TOTAL LIABILITIES		<u>1,195,400</u>	<u>14,338</u>	<u>2,383,745</u>	<u>7,680,081</u>	<u>4,447,436</u>	<u>5,652,357</u>	<u>889,668</u>	<u>12,385,204</u>
EQUITY									
Net assets attributable to unitholders	3(a)	9,163,704	2,298,329	193,609,090	234,143,141	202,487,476	269,139,600	25,674,341	155,561,135
TOTAL LIABILITIES AND EQUITY		<u>10,359,104</u>	<u>2,312,667</u>	<u>195,992,835</u>	<u>241,823,222</u>	<u>206,934,912</u>	<u>274,791,957</u>	<u>26,564,009</u>	<u>167,946,339</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF NET ASSETS (continued)

As at 31 December 2022

	Notes	CSOP FTSE China A50 Index Daily (2x) Leveraged Product		CSOP FTSE China A50 Index Daily (-1x) Inverse Product		CSOP Gold Futures Daily (-1x) Inverse Product	CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product
		2022	2021	2022	2021	2022	2022
		US\$	US\$	US\$	US\$	US\$	US\$
ASSETS							
Financial assets at fair value through profit or loss	11	1,193,673	3,496,507	1,105,314	10,100,242	436,388	419,666
Interest receivable		–	31	–	319	–	–
Other receivables	5(j), 5(k)	25,183	3,359	6,465	8,126	35,932	37,874
Amounts due from broker	6	85,346	–	–	55,011	–	–
Margin accounts	6	311,509	522,146	110,598	1,094,264	383,945	516,958
Cash and cash equivalents	7	1,779,545	3,349,200	1,655,503	11,936,968	1,485,067	1,374,622
TOTAL ASSETS		<u>3,395,256</u>	<u>7,371,243</u>	<u>2,877,880</u>	<u>23,194,930</u>	<u>2,341,332</u>	<u>2,349,120</u>
LIABILITIES							
Financial liabilities at fair value through profit or loss	11	99,688	160,077	–	–	83,830	165,760
Interest payable from swap contracts		–	–	–	–	–	–
Amounts due to participating dealers		–	–	–	–	–	–
Amounts due to broker	6	–	38,723	43,483	–	–	–
Management fee payable	5(a)	7,123	29,425	18,983	96,094	2,422	6,973
Other payables and accruals		40,933	26,611	48,482	32,860	20,928	21,512
Cash collateral liabilities	5(l)	20,000	–	–	160,000	–	–
TOTAL LIABILITIES		<u>167,744</u>	<u>254,836</u>	<u>110,948</u>	<u>288,954</u>	<u>107,180</u>	<u>194,245</u>
EQUITY							
Net assets attributable to unitholders	3(a)	<u>3,227,512</u>	<u>7,116,407</u>	<u>2,766,932</u>	<u>22,905,976</u>	<u>2,234,152</u>	<u>2,154,875</u>
TOTAL LIABILITIES AND EQUITY		<u>3,395,256</u>	<u>7,371,243</u>	<u>2,877,880</u>	<u>23,194,930</u>	<u>2,341,332</u>	<u>2,349,120</u>

For and on behalf of

CSOP Asset Management Limited
as the Manager

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (-1x) Inverse Product	
		Year ended 31 December 2022 US\$	Year ended 31 December 2021 US\$	Year ended 31 December 2022 US\$	Year ended 31 December 2021 US\$	Year ended 31 December 2022 RMB	For the period from 24 July 2020 (date of commencement of operations) to 31 December 2021 RMB	Year ended 31 December 2022 RMB	For the period from 24 July 2020 (date of commencement of operations) to 31 December 2021 RMB
INCOME									
Net (losses)/gains on financial assets and financial liabilities at fair value through profit or loss	4	(2,929,720)	982,671	(2,287,299)	(22,949,277)	(135,143,477)	207,342,837	22,830,993	(229,565,473)
Interest income from bank deposits		24,971	185	317,625	23,162	57,152	765,686	57,667	1,438,923
Interest income from margin accounts	5(e)	–	–	21,108	176	80,921	394,823	22,278	369,547
Net foreign exchange gains/(losses)		–	–	–	–	7,301,984	(10,201,661)	4,102,154	(8,498,501)
Rebate income	5(j)	4,031	1,252	152,915	160,885	281,230	632,717	182,385	611,856
Other income	5(k)	–	42,016	–	–	–	–	–	–
		<u>(2,900,718)</u>	<u>1,026,124</u>	<u>(1,795,651)</u>	<u>(22,765,054)</u>	<u>(127,422,190)</u>	<u>198,934,402</u>	<u>27,195,477</u>	<u>(235,643,648)</u>
EXPENSES									
Management fee	5(a)	(90,971)	(28,922)	(2,766,117)	(3,730,969)	(3,395,209)	(11,048,556)	(1,586,464)	(12,849,469)
Collateral management fee	5(l)	–	–	(5,853)	(3,952)	(65,376)	(182,114)	(50,129)	(175,618)
Formation fee	5(c)	–	–	–	–	–	(1,592,225)	–	(1,600,642)
Audit fee		(2,465)	(2,308)	(51,624)	(50,302)	(95,279)	(76,746)	(94,589)	(63,955)
Bank charges	5(d)	(2,240)	(695)	(1,094)	(870)	(19,925)	(21,482)	(15,746)	(22,363)
Interest expense		(207)	–	(2,902)	–	–	–	–	–
Index licensing fee		(15,002)	(14,960)	(14,971)	(8,435)	(100,521)	(277,933)	(100,000)	(340,674)
Brokerage and transaction fee	14	(2,929)	(894)	(93,988)	(179,883)	(13,848)	(47,129)	(11,773)	(49,899)
Interest on margin accounts	5(e)	(228)	(2,026)	(44,413)	(33,331)	(16,503)	(12,327)	(195)	(9,127)
Legal and other professional fee		–	–	–	(42,939)	–	(159,111)	–	(159,112)
Other operating expenses		(30,745)	(34,992)	(35,874)	(36,676)	(189,142)	(389,474)	(183,060)	(380,729)
TOTAL OPERATING EXPENSES		<u>(144,787)</u>	<u>(84,797)</u>	<u>(3,016,836)</u>	<u>(4,087,357)</u>	<u>(3,895,803)</u>	<u>(13,807,097)</u>	<u>(2,041,956)</u>	<u>(15,651,588)</u>
OPERATING (LOSS)/PROFIT		<u>(3,045,505)</u>	<u>941,327</u>	<u>(4,812,487)</u>	<u>(26,852,411)</u>	<u>(131,317,993)</u>	<u>185,127,305</u>	<u>25,153,521</u>	<u>(251,295,236)</u>
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		<u>(3,045,505)</u>	<u>941,327</u>	<u>(4,812,487)</u>	<u>(26,852,411)</u>	<u>(131,317,993)</u>	<u>185,127,305</u>	<u>25,153,521</u>	<u>(251,295,236)</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

For the year ended 31 December 2022

	Notes	CSOP FTSE China A50 Index Daily (2x) Leveraged Product For the period from 19 January 2021 (date of commencement of operations) Year ended 31 December 2022 US\$	CSOP FTSE China A50 Index Daily (2x) Leveraged Product For the period from 19 January 2021 (date of commencement of operations) Year ended 31 December 2021 US\$	CSOP FTSE China A50 Index Daily (-1x) Inverse Product For the period from 19 January 2021 (date of commencement of operations) Year ended 31 December 2022 US\$	CSOP FTSE China A50 Index Daily (-1x) Inverse Product For the period from 19 January 2021 (date of commencement of operations) Year ended 31 December 2021 US\$	CSOP Gold Futures Daily (-1x) Inverse Product For the period from 19 October 2021 (date of commencement of operations) to 31 December 2022 US\$	CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product For the period from 30 November 2021 (date of commencement of operations) to 31 December 2022 US\$
INCOME							
Net (losses)/gains on financial assets and financial liabilities at fair value through profit or loss	4	(2,464,519)	(2,919,225)	2,273,764	1,729,966	(562,402)	(1,750,216)
Interest income from bank deposits		479	348	1,521	1,868	2,899	7,187
Interest income from margin accounts	5(e)	707	200	963	104	13	–
Net foreign exchange gains/(losses)		(1,167)	(1,397)	(1,708)	(1,303)	–	–
Rebate income	5(j)	7,470	11,591	16,299	28,273	3,296	3,076
Other income	5(k)	21,887	20,464	3,472	–	35,593	35,693
		<u>(2,435,143)</u>	<u>(2,888,019)</u>	<u>2,294,311</u>	<u>1,758,908</u>	<u>(520,601)</u>	<u>(1,704,260)</u>
EXPENSES							
Management fee	5(a)	(73,928)	(127,962)	(168,707)	(335,105)	(58,036)	(58,167)
Collateral management fee	5(l)	(9,315)	(10,539)	(8,956)	(10,234)	(2,283)	(650)
Formation fee	5(c)	–	(52,465)	–	(52,621)	(49,922)	(51,898)
Audit fee		(2,466)	(2,000)	(7,394)	(6,000)	(10,000)	(10,000)
Bank charges	5(d)	(1,758)	(693)	(1,191)	(681)	(1,090)	(2,136)
Interest expense		–	–	–	–	(114)	(421)
Index licensing fee		(15,002)	(14,221)	(15,002)	(14,221)	(5,773)	(12,410)
Brokerage and transaction fee	14	(232)	(745)	(883)	(1,257)	(1,837)	(6,117)
Interest on margin accounts	5(e)	(1,286)	(65)	(515)	(201)	(853)	–
Legal and other professional fee		(1,750)	(6,099)	(1,750)	(6,099)	–	(2,500)
Other operating expenses		(32,930)	(28,118)	(32,901)	(27,860)	(37,301)	(30,572)
TOTAL OPERATING EXPENSES		<u>(138,667)</u>	<u>(242,907)</u>	<u>(237,299)</u>	<u>(454,279)</u>	<u>(167,209)</u>	<u>(174,871)</u>
OPERATING (LOSS)/PROFIT		<u>(2,573,810)</u>	<u>(3,130,926)</u>	<u>2,057,012</u>	<u>1,304,629</u>	<u>(687,810)</u>	<u>(1,879,131)</u>
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		<u>(2,573,810)</u>	<u>(3,130,926)</u>	<u>2,057,012</u>	<u>1,304,629</u>	<u>(687,810)</u>	<u>(1,879,131)</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2022

	Notes	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (-1x) Inverse Product	
		Year ended 31 December 2022 US\$	Year ended 31 December 2021 US\$	Year ended 31 December 2022 US\$	Year ended 31 December 2021 US\$	Year ended 31 December 2022 RMB	Year ended 31 December 2021 RMB	For the period from 24 July 2020 (date of commencement of operations) to 31 December 2021 RMB	Year ended 31 December 2022 RMB
Net assets attributable to unitholders at the beginning of the year/period		2,298,329	3,027,283	234,143,141	271,070,395	269,139,600	–	155,561,135	–
Issue of units		23,990,463	–	62,357,708	91,110,935	150,176,195	691,069,751	–	1,319,202,306
Redemption of units		(14,079,583)	(1,670,281)	(98,079,272)	(101,185,778)	(85,510,326)	(607,057,456)	(155,040,315)	(912,345,935)
Net issue of units		9,910,880	(1,670,281)	(35,721,564)	(10,074,843)	64,665,869	84,012,295	(155,040,315)	406,856,371
(Loss)/Profit and total comprehensive income for the year/period		(3,045,505)	941,327	(4,812,487)	(26,852,411)	(131,317,993)	185,127,305	25,153,521	(251,295,236)
Net assets attributable to unitholders at the end of the year/period		9,163,704	2,298,329	193,609,090	234,143,141	202,487,476	269,139,600	25,674,341	155,561,135
Number of units in issue at the beginning of the year/period		820,000	1,620,000	234,600,000	239,400,000	33,200,000	–	28,000,000	–
Issue of units	3(b)	16,000,000	–	69,600,000	93,600,000	27,200,000	97,200,000	–	190,400,000
Redemption of units	3(b)	(8,800,000)	(800,000)	(92,000,000)	(98,400,000)	(15,200,000)	(64,000,000)	(24,000,000)	(162,400,000)
Number of units in issue at the end of the year/period		8,020,000	820,000	212,200,000	234,600,000	45,200,000	33,200,000	4,000,000	28,000,000

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

For the year ended 31 December 2022

	Notes	CSOP FTSE China A50 Index Daily (2x) Leveraged Product		CSOP FTSE China A50 Index Daily (-1x) Inverse Product		CSOP Gold Futures Daily (-1x) Inverse Product	CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product
		Year ended 31 December 2022 US\$	For the period from 19 January 2021 (date of commencement of operations) to 31 December 2021 US\$	Year ended 31 December 2022 US\$	For the period from 19 January 2021 (date of commencement of operations) to 31 December 2021 US\$	For the period from 19 October 2021 (date of commencement of operations) to 31 December 2022 US\$	For the period from 30 November 2021 (date of commencement of operations) to 31 December 2022 US\$
Net assets attributable to unitholders at the beginning of the year/period		7,116,407	–	22,905,976	–	–	–
Issue of units		2,313,701	12,553,471	480,256	22,490,001	12,816,738	10,863,524
Redemption of units		(3,628,786)	(2,306,138)	(22,676,312)	(888,654)	(9,894,776)	(6,829,518)
Net issue of units		(1,315,085)	10,247,333	(22,196,056)	21,601,347	2,921,962	4,034,006
(Loss)/Profit and total comprehensive income for the year/period		(2,573,810)	(3,130,926)	2,057,012	1,304,629	(687,810)	(1,879,131)
Net assets attributable to unitholders at the end of the year/period		<u>3,227,512</u>	<u>7,116,407</u>	<u>2,766,932</u>	<u>22,905,976</u>	<u>2,234,152</u>	<u>2,154,875</u>
Number of units in issue at the beginning of the year/period		10,000,000	–	21,600,000	–	–	–
Issue of units	3(b)	3,600,000	12,800,000	400,000	22,400,000	12,800,000	16,000,000
Redemption of units	3(b)	(6,800,000)	(2,800,000)	(19,600,000)	(800,000)	(10,400,000)	(12,000,000)
Number of units in issue at the end of the year/period		<u>6,800,000</u>	<u>10,000,000</u>	<u>2,400,000</u>	<u>21,600,000</u>	<u>2,400,000</u>	<u>4,000,000</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Notes	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	
		Year ended 31 December 2022 US\$	Year ended 31 December 2021 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the year		(3,045,505)	941,327
Adjustments for:			
Interest paid on margin accounts		228	2,026
Interest income from bank deposits		(24,971)	(185)
Operating cash flows before movements in working capital		<u>(3,070,248)</u>	<u>943,168</u>
(Increase)/decrease in financial assets at fair value through profit or loss		(1,253,335)	1,773,414
Decrease/(increase) in other receivables		67	(2,648)
(Increase)/decrease in margin accounts		(3,145,723)	45,198
Increase in financial liabilities at fair value through profit or loss		1,143,284	–
Increase/(decrease) in management fee payable		21,046	(7,628)
Decrease in amounts due to broker		–	(29,995)
Decrease in formation fee payable		–	(61,566)
Increase in other payables and accruals		16,732	11,249
Cash (used in)/generated from operations		<u>(6,288,177)</u>	<u>2,671,192</u>
Interest on bank deposits received		24,999	157
Interest paid on margin accounts		(228)	(2,026)
Net cash flows (used in)/generated from operating activities		<u>(6,263,406)</u>	<u>2,669,323</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units		23,990,463	–
Payments on redemption on units		<u>(14,079,583)</u>	<u>(1,670,281)</u>
Net cash flows generated from/(used in) financing activities		<u>9,910,880</u>	<u>(1,670,281)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,647,474	999,042
Cash and cash equivalents at the beginning of the year		<u>1,342,546</u>	<u>343,504</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>4,990,020</u>	<u>1,342,546</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Term deposits with original maturity less than three months	7	–	337,136
Bank balances	7	<u>4,990,020</u>	<u>1,005,410</u>
Cash and cash equivalents as stated in the statement of cash flows		<u>4,990,020</u>	<u>1,342,546</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2022

		CSOP Gold Futures Daily (2x) Leveraged Product	
		Year ended 31 December 2022 US\$	Year ended 31 December 2021 US\$
Notes			
CASH FLOWS FROM OPERATING ACTIVITIES			
	Loss for the year	(4,812,487)	(26,852,411)
	Adjustments for:		
	Interest expenses on margin accounts	44,413	33,331
	Interest income from bank deposits	(317,625)	(23,162)
	Interest income from margin accounts	(21,108)	(176)
	Operating cash flows before movements in working capital	<u>(5,106,807)</u>	<u>(26,842,418)</u>
	(Increase)/decrease in financial assets at fair value through profit or loss	(1,089,981)	142,091,254
	Decrease/(increase) in other receivables	10,770	(44,122)
	Decrease/(increase) in margin accounts	20,353,065	(24,624,550)
	(Decrease)/increase in financial liabilities at fair value through profit or loss	(6,646,874)	6,646,874
	(Decrease)/increase in management fee payable	(140,177)	312,645
	Decrease in amounts due to broker	(12)	(2,999,474)
	Increase in cash collateral liabilities	1,470,000	50,000
	Decrease in formation fee payable	–	(128,007)
	Increase in other payables and accruals	20,727	46,547
	Cash generated from operations	<u>8,870,711</u>	<u>94,508,749</u>
	Interest received on bank deposits	316,771	20,447
	Interest paid on margin accounts	(23,305)	(33,155)
	Net cash flows generated from operating activities	<u>9,164,177</u>	<u>94,496,041</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
	Proceeds from issue of units	62,357,708	91,110,935
	Payments on redemption of units	(98,079,272)	(101,185,778)
	Net cash used in financing activities	<u>(35,721,564)</u>	<u>(10,074,843)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(26,557,387)	84,421,198
	Cash and cash equivalents at the beginning of the year	<u>128,529,267</u>	<u>44,108,069</u>
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>101,971,880</u>	<u>128,529,267</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
	Term deposits with original maturity less than three months	7 8,681,206	30,454,634
	Bank balances	7 93,290,674	98,074,633
	Cash and cash equivalents as stated in the statement of cash flows	<u>101,971,880</u>	<u>128,529,267</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2022

	CSOP CSI 300 Index Daily (2x) Leveraged Product	
	Year ended 31 December 2022 RMB	For the period from 24 July 2020 (date of commencement of operations) to 31 December 2021 RMB
Notes		
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit for the year/period	(131,317,993)	185,127,305
Adjustments for:		
Interest expenses on margin accounts	16,503	12,327
Interest income from bank deposits	(57,152)	(765,686)
Interest income from margin accounts	(80,921)	(394,823)
Operating cash flows before movements in working capital	<u>(131,439,563)</u>	<u>183,979,123</u>
Decrease/(increase) in financial assets at fair value through profit or loss	95,107,599	(127,849,630)
Decrease/(increase) in other receivables	90,809	(134,981)
Increase in margin accounts	(8,823,993)	(83,847,069)
Increase in financial liabilities at fair value through profit or loss	1,947,620	287,967
Increase in interest payable from swap contracts	318,656	461,934
(Decrease)/increase in management fee payable	(257,254)	1,144,297
(Decrease)/increase in cash collateral liabilities	(3,350,416)	3,350,416
Increase in other payables and accruals	136,473	407,743
Cash used in operations	<u>(46,270,069)</u>	<u>(22,200,200)</u>
Interest received on bank deposits	57,152	765,686
Interest received on margin accounts	64,418	382,496
Net cash flows used in operating activities	<u>(46,148,499)</u>	<u>(21,052,018)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of units	150,176,195	691,069,751
Payments on redemption of units	(85,510,326)	(607,057,456)
Net cash flows generated from financing activities	<u>64,665,869</u>	<u>84,012,295</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,517,370	62,960,277
Cash and cash equivalents at the beginning of the year/period	<u>62,960,277</u>	<u>–</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	<u>81,477,647</u>	<u>62,960,277</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	7 <u>81,477,647</u>	<u>62,960,277</u>
Cash and cash equivalents as stated in the statement of cash flows	<u>81,477,647</u>	<u>62,960,277</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2022

	Notes	CSOP CSI 300 Index Daily (-1x) Inverse Product	
		Year ended 31 December 2022 RMB	For the period from 24 July 2020 (date of commencement of operations) to 31 December 2021 RMB
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year/period		25,153,521	(251,295,236)
Adjustments for:			
Interest expenses on margin accounts		195	9,127
Interest income from bank deposits		(57,667)	(1,438,923)
Interest income from margin accounts		(22,278)	(369,547)
Operating cash flows before movements in working capital		<u>25,073,771</u>	<u>(253,094,579)</u>
Decrease/(increase) in financial assets at fair value through profit or loss		70,206,063	(70,503,426)
Decrease/(increase) in other receivables		57,774	(73,375)
Decrease/(increase) in margin accounts		21,917,912	(32,331,845)
Increase in amounts due from broker		(806)	–
(Decrease)/increase in financial liabilities at fair value through profit or loss		(1,951,800)	2,045,136
(Decrease)/increase in interest payable from swap contracts		(130,051)	130,051
(Decrease)/increase in management fee payable		(437,387)	731,172
(Decrease)/increase in amounts due to broker		(17,419)	17,419
(Decrease)/increase in cash collateral liabilities		(100,000)	100,000
Increase in other payables and accruals		123,529	379,018
Cash generated from/(used in) operations		<u>114,741,586</u>	<u>(352,600,429)</u>
Interest received on bank deposits		67,123	1,429,467
Interest paid on margin accounts		22,083	360,420
Net cash flows generated from/(used in) operating activities		<u>114,830,792</u>	<u>(350,810,542)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units		2,200	1,319,200,106
Payments on redemption of units		(164,022,723)	(903,363,527)
Net cash flows (used in)/generated from financing activities		<u>(164,020,523)</u>	<u>415,836,579</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year/period		(49,189,731)	65,026,037
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD		<u>15,836,306</u>	<u>65,026,037</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2022

		CSOP CSI 300 Index Daily (-1x) Inverse Product (continued)	
		Year ended 31 December 2022 RMB	For the period from 24 July 2020 (date of commencement of operations) to 31 December 2021 RMB
	Notes		
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Term deposits with original maturity less than three months	7	–	5,557,812
Bank balances	7	<u>15,836,306</u>	<u>59,468,225</u>
Cash and cash equivalents as stated in the statement of cash flows		<u>15,836,306</u>	<u>65,026,037</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2022

	CSOP FTSE China A50 Index Daily (2x) Leveraged Product	
	For the period from 19 January 2021 (date of commencement of operations) to 31 December 2021	
Notes	Year ended 31 December 2022 US\$	2021 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year/period	(2,573,810)	(3,130,926)
Adjustments for:		
Interest expenses on margin accounts	1,286	65
Interest income from bank deposits	(479)	(348)
Interest income from margin accounts	(707)	(200)
Operating cash flows before movements in working capital	<u>(2,573,710)</u>	<u>(3,131,409)</u>
Decrease/(increase) in financial assets at fair value through profit or loss	2,302,834	(3,496,507)
Increase in other receivables	(21,824)	(3,359)
Decrease/(increase) in margin accounts	210,637	(522,146)
(Decrease)/increase in financial liabilities at fair value through profit or loss	(60,389)	160,077
Increase in amounts due from broker	(85,346)	–
(Decrease)/increase in management fee payable	(22,302)	29,425
(Decrease)/increase in amounts due to broker	(38,723)	38,723
Increase in cash collateral liabilities	20,000	–
Increase in other payables and accruals	14,322	26,611
Cash used in operations	<u>(254,501)</u>	<u>(6,898,585)</u>
Interest received on bank deposits	510	317
Interest received on margin accounts	(579)	135
Net cash flows used in operating activities	<u>(254,570)</u>	<u>(6,898,133)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of units	2,313,701	12,553,471
Payments on redemption of units	(3,628,786)	(2,306,138)
Net cash flows (used in)/generated from financing activities	<u>(1,315,085)</u>	<u>10,247,333</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the year/period	(1,569,655)	3,349,200
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	<u>3,349,200</u>	<u>–</u>
	<u>1,779,545</u>	<u>3,349,200</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2022

		CSOP FTSE China A50 Index Daily (2x) Leveraged Product (continued)	
		For the period from 19 January 2021 (date of commencement of operations) to 31 December 2021	
	Notes	Year ended 31 December 2022 US\$	31 December 2021 US\$
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Term deposits with original maturity less than three months	7	–	259,117
Bank balances	7	<u>1,779,545</u>	<u>3,090,083</u>
Cash and cash equivalents as stated in the statement of cash flows		<u>1,779,545</u>	<u>3,349,200</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2022

	CSOP FTSE China A50 Index Daily (-1x) Inverse Product	
	For the period from 19 January 2021 (date of commencement of operations) to 31 December 2021	
Notes	Year ended 31 December 2022 US\$	2021 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year/period	2,057,012	1,304,629
Adjustments for:		
Interest expenses on margin accounts	515	201
Interest income from bank deposits	(1,521)	(1,868)
Interest income from margin accounts	(963)	(104)
Operating cash flows before movements in working capital	<u>2,055,043</u>	<u>1,302,858</u>
Decrease/(increase) in financial assets at fair value through profit or loss	8,994,928	(10,100,242)
Decrease/(increase) in other receivables	1,661	(8,126)
Decrease/(increase) in margin accounts	983,666	(1,094,264)
Decrease/(increase) in amounts due from broker	55,011	(55,011)
Increase in amounts due to broker	43,483	–
(Decrease)/increase in management fee payable	(77,111)	96,094
(Decrease)/increase in cash collateral liabilities	(160,000)	160,000
Increase in other payables and accruals	15,622	32,860
Cash generated from/(used in) operations	<u>11,912,303</u>	<u>(9,665,831)</u>
Interest received on bank deposits	1,840	1,549
Interest received/(paid) on margin accounts	448	(97)
Net cash flows generated from/(used in) operating activities	<u>11,914,591</u>	<u>(9,664,379)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of units	480,256	22,490,001
Payments on redemption of units	(22,676,312)	(888,654)
Net cash flows (used in)/generated from financing activities	<u>(22,196,056)</u>	<u>21,601,347</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the year/period	(10,281,465)	11,936,968
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	<u>11,936,968</u>	<u>–</u>
	<u>1,655,503</u>	<u>11,936,968</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Term deposits with original maturity less than three months	7	–
Bank balances	7	3,073,392
Cash and cash equivalents as stated in the statement of cash flows	<u>1,655,503</u>	<u>8,863,576</u>
	<u>1,655,503</u>	<u>11,936,968</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CASH FLOWS (continued)

For the period from 19 October 2021 (date of commencement of operations) to 31 December 2022

	CSOP Gold Futures Daily (-1x) Inverse Product For the period from 19 October 2021 (date of commencement of operations) to 31 December 2022 US\$
	Notes
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss for the period	(687,810)
Adjustments for:	
Interest expenses on margin accounts	853
Interest income from bank deposits	(2,899)
Interest income from margin accounts	(13)
Operating cash flows before movements in working capital	<u>(689,869)</u>
Increase in financial assets at fair value through profit or loss	(352,558)
Increase in other receivables	(35,932)
Increase in margin accounts	(383,945)
Increase in management fee payable	2,422
Increase in other payables and accruals	20,928
Cash used in operations	<u>(1,438,954)</u>
Interest received on bank deposits	2,899
Interest paid on margin accounts	(840)
Net cash flows used in operating activities	<u>(1,436,895)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of units	12,816,738
Payments on redemption of units	(9,894,776)
Net cash flows generated from financing activities	<u>2,921,962</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,485,067
Cash and cash equivalents at the beginning of the period	<u>—</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>1,485,067</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	
Bank balances	7 <u>1,485,067</u>
Cash and cash equivalents as stated in the statement of cash flows	<u>1,485,067</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

STATEMENT OF CASH FLOWS (continued)

For the period from 30 November 2021 (date of commencement of operations) to 31 December 2022

	CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product For the period from 30 November 2021 (date of commencement of operations) to 31 December 2022 US\$
	Notes
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss for the period	(1,879,131)
Adjustment for:	
Interest income from bank deposits	(7,187)
Operating cash flows before movements in working capital	<u>(1,886,318)</u>
Increase in financial assets at fair value through profit or loss	(419,666)
Increase in margin accounts	(516,958)
Increase in other receivables	(37,874)
Increase in financial liabilities at fair value through profit or loss	165,760
Increase in management fee payable	6,973
Increase in other payables and accruals	21,512
Cash used in operations	<u>(2,666,571)</u>
Interest received on bank deposits	7,187
Net cash flows used in operating activities	<u>(2,659,384)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of units	10,863,524
Payments on redemption of units	(6,829,518)
Net cash flows generated from financing activities	<u>4,034,006</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,374,622
Cash and cash equivalents at the beginning of the period	<u>–</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>1,374,622</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	
Bank balances	7 <u>1,374,622</u>
Cash and cash equivalents as stated in the statement of cash flows	<u>1,374,622</u>

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. GENERAL INFORMATION

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

As of 31 December 2022, the Trust has nine sub-funds, each a separate sub-fund of the Trust, which are authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to section 104(1) of the SFO. The nine sub-funds, including CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product, CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product and CSOP CSI Brokerage Index Daily (2x) Leveraged Product are referred to individually or collectively as the “Sub-Fund(s)”. The Sub-Funds are listed on the Stock Exchange of Hong Kong Limited (the “SEHK”) with details below:

<u>Name of Sub-Funds</u>	<u>Listing date on the SEHK</u>
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	15 May 2020
CSOP Gold Futures Daily (2x) Leveraged Product	5 June 2020
CSOP CSI 300 Index Daily (2x) Leveraged Product	27 July 2020
CSOP CSI 300 Index Daily (-1x) Inverse Product	27 July 2020
CSOP FTSE China A50 Index Daily (2x) Leveraged Product	20 January 2021
CSOP FTSE China A50 Index Daily (-1x) Inverse Product	20 January 2021
CSOP Gold Futures Daily (-1x) Inverse Product	20 October 2021
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product	1 December 2021
CSOP CSI Brokerage Index Daily (2x) Leveraged Product	19 October 2022

These financial statements only relate to CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product. The Manager is responsible for the preparation of the financial statements.

The first reporting period for CSOP CSI Brokerage Index Daily (2x) Leveraged Product will cover for the period from 19 October 2022 (date of commencement of operation) to 31 December 2023.

CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product have adopted for the first time all applicable and effective IFRSs.

Due to the fact that the comparative amounts of financial statements of CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product and CSOP FTSE China A50 Index Daily (-1x) Inverse Product presented covered for the period from their respective date of commencement of operation to 31 December 2021, the amount presented in financial statements of these Sub-Funds and related explanatory notes presented are not entirely comparable as the current period cover a period of twelve months.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. GENERAL INFORMATION (CONTINUED)

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

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

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

CSOP Gold Futures Daily (2x) Leveraged Product

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

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

CSOP CSI 300 Index Daily (2x) Leveraged Product

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

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. GENERAL INFORMATION (CONTINUED)

CSOP CSI 300 Index Daily (-1x) Inverse Product

The investment objective of CSOP CSI 300 Index Daily (-1x) Inverse Product (stock code: 7333) is to provide investment results that, before fees and expenses, closely correspond to inverse (-1x) the daily performance of the CSI 300 Index (the “Index”).

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

CSOP FTSE China A50 Index Daily (2x) Leveraged Product

The investment objective of CSOP FTSE China A50 Index Daily (2x) Leveraged Product (stock code: 7248) is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the FTSE China A50 Index (the “Index”).

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

CSOP FTSE China A50 Index Daily (-1x) Inverse Product

The investment objective of CSOP FTSE China A50 Index Daily (-1x) Inverse Product (stock code: 7348) is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) the daily performance of the FTSE China A50 Index (the “Index”).

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. GENERAL INFORMATION (CONTINUED)

CSOP Gold Futures Daily (-1x) Inverse Product

The investment objective of CSOP Gold Futures Daily (-1x) Inverse Product (stock code: 7374) is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) of the daily performance of the Solactive Gold 1-Day Rolling Futures Index (the “Index”). The Index consists of only gold futures whose price movements may deviate significantly from the gold spot price. The Sub-Fund does not seek to deliver an inverse return of gold spot price.

To achieve the investment objective of the Sub-Fund, the Manager will use a combination of a futures-based replication strategy and a swap-based synthetic replication strategy. The Manager will adopt a futures-based replication strategy through investing directly in the Active Contracts of gold futures traded on the New York Commodity Exchange (COMEX) (“COMEX Gold Futures”) subject to the rolling strategy to obtain the required exposure to the Index and use a swap-based synthetic replication strategy by investing in swaps.

CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product

The investment objective of CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product (stock code: 7345) is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) of the daily performance of the Solactive WTI 1-Day Rolling Futures Index (the “Index”). The Index consists of only crude oil futures whose price movements may deviate significantly from the WTI crude oil spot price. The Sub-Fund does not seek to deliver an inverse return of WTI crude oil spot price.

To achieve the investment objective of the Sub-Fund, the Manager will use a combination of a futures-based replication strategy and a swap-based synthetic replication strategy. The Manager will adopt a futures-based replication strategy through investing directly in the Active Contracts of West Texas Intermediate crude oil (“WTI crude oil”) (also known as Texas light sweet crude oil) futures traded on the New York Mercantile Exchange (NYMEX) (“WTI Futures Contracts”) subject to the rolling strategy subject to the rolling strategy to obtain the required exposure to the Index and use a swap-based synthetic replication strategy by investing in Swaps.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a)(i) Basis of preparation

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

The financial statements have been prepared under the historical cost convention, except for financial assets and liabilities classified as at fair value through profit or loss (“FVPL”) that have been measured at fair value. The financial statements are presented in United States dollars (“US\$”) for CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product and Renminbi (“RMB”) for CSOP CSI 300 Index Daily (2x) Leveraged Product and CSOP CSI 300 Index Daily (-1x) Inverse Product. All values are rounded to the nearest US\$ and RMB except where otherwise indicated.

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

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2022 that have a material effect on the financial statements of the Sub-Funds.

(a)(iv) Issued but not yet effective IFRSs

The Sub-Funds have not early applied any of the new and revised IFRSs that have been issued but are not yet effective for the accounting year ended 31 December 2022 in these financial statements. Among the new and revised IFRSs, the following are expected to be relevant to the Sub-Funds' financial statements upon becoming effective:

Amendments to IAS 8 – Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Sub-Funds.

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Sub-Funds are currently assessing the impact of the amendments to determine the impact they will have on the Sub-Funds' accounting policy disclosures.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments

(i) ***Classification***

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

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

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

Financial assets

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

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

Financial assets measured at amortised cost

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(i) **Classification** (continued)

Financial assets measured at FVPL

A financial asset is measured at FVPL if:

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

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

Financial liabilities

Financial liabilities measured at amortised cost

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

Financial liabilities measured at FVPL

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

(ii) **Recognition**

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

(iii) **Initial measurement**

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

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(iv) ***Subsequent measurement***

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

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

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

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

(v) ***Derecognition***

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

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

Fair value measurement

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

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

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

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Derivative financial instruments

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

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition

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

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

(d) Expenses

Expenses are recognised on an accrual basis.

(e) Cash and cash equivalents

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

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

(f) Redeemable units

Redeemable units are classified as an equity instrument when:

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

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

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Redeemable units (continued)

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

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

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

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

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

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

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

(g) Segmental reporting

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

(h) Margin accounts and amounts due to broker

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

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of financial assets

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

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

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

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

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

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

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

(l) Offsetting of financial instruments

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

(m) Taxes

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Distributions to unitholders

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

(o) Formation fee

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

(p) Transaction fees

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

(q) Related parties

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

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

or

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Foreign currency translations

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

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

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

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS

(a) Net assets attributable to unitholders

The creation and redemption of units of the Sub-Funds can only be facilitated by or through participating dealers. Investors other than the participating dealers make a request to create or redeem units through a participating dealer, and if the investor is a retail investor, such request must be made through a stockbroker which has opened an account with a participating dealer. Units are created or redeemed at a minimum of 800,000 units for CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (2x) Leveraged Product, CSOP CSI 300 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product and 400,000 units for CSOP FTSE China A50 Index Daily (2x) Leveraged Product, and CSOP FTSE China A50 Index Daily (-1x) Inverse Product or in multiples thereof for the respective Sub-Fund.

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

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

Reconciliation between the Accounting NAV and Dealing NAV

According to the prospectus of the Sub-Funds, the formation fee is amortised over the first five financial periods of the Sub-Funds. However, with respect to the Sub-Funds for the purpose of financial statement preparation in compliance with IFRSs, its accounting policy is to expense the formation fee in profit or loss as incurred.

As of 31 December 2022, the formation fee for establishing the Sub-Funds and the remaining amortisation periods as set out below:

	Formation fee for establishing Sub-Funds	Remaining amortisation periods
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$72,225	2 years
CSOP Gold Futures Daily (2x) Leveraged Product	US\$136,005	2 years
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB1,592,225	2.5 years
CSOP CSI 300 Index Daily (-1x) Inverse Product	RMB1,600,642	2.5 years
CSOP FTSE China A50 Index Daily (2x) Leveraged Product	US\$52,465	3 years
CSOP FTSE China A50 Index Daily (-1x) Inverse Product	US\$52,621	3 years
CSOP Gold Futures Daily (-1x) Inverse Product	US\$49,922	4 years
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product	US\$51,898	4 years

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(a) Net assets attributable to unitholders (continued)

The difference between the Accounting NAV reported in the statement of net assets and the Dealing NAV as at 31 December 2022 and 2021 is reconciled as set out below:

	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	
	2022	2021
	US\$	US\$
Accounting NAV as reported in the statement of net assets	9,163,704	2,298,329
Adjustment for the formation fee	31,437	44,651
Dealing NAV	<u>9,195,141</u>	<u>2,342,980</u>
	CSOP Gold Futures Daily (2x) Leveraged Product	
	2022	2021
	US\$	US\$
Accounting NAV as reported in the statement of net assets	193,609,090	234,143,141
Adjustment for the formation fee	63,506	89,596
Dealing NAV	<u>193,672,596</u>	<u>234,232,737</u>
	CSOP CSI 300 Index Daily (2x) Leveraged Product	
	2022	2021
	RMB	RMB
Accounting NAV as reported in the statement of net assets	202,487,476	269,139,600
Adjustment for the formation fee	840,107	1,155,303
Dealing NAV	<u>203,327,583</u>	<u>270,294,903</u>
	CSOP CSI 300 Index Daily (-1x) Inverse Product	
	2022	2021
	RMB	RMB
Accounting NAV as reported in the statement of net assets	25,674,341	155,561,135
Adjustment for the formation fee	847,325	1,163,720
Dealing NAV	<u>26,521,666</u>	<u>156,724,855</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(a) Net assets attributable to unitholders (continued)

	CSOP FTSE China A50 Index Daily (2x) Leveraged Product	
	2022	2021
	US\$	US\$
Accounting NAV as reported in the statement of net assets	3,227,512	7,116,407
Adjustment for the formation fee	26,876	35,676
Dealing NAV	<u>3,254,388</u>	<u>7,152,083</u>

	CSOP FTSE China A50 Index Daily (-1x) Inverse Product	
	2022	2021
	US\$	US\$
Accounting NAV as reported in the statement of net assets	2,766,932	22,905,976
Adjustment for the formation fee	26,995	35,832
Dealing NAV	<u>2,793,927</u>	<u>22,941,808</u>

	CSOP Gold Futures Daily (-1x) Inverse Product	
	2022	
	US\$	
Accounting NAV as reported in the statement of net assets	2,234,152	
Adjustment for the formation fee	32,410	
Dealing NAV	<u>2,266,562</u>	

	CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product	
	2022	
	US\$	
Accounting NAV as reported in the statement of net assets	2,154,875	
Adjustment for the formation fee	36,063	
Dealing NAV	<u>2,190,938</u>	

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(b) Movement of units

The table below summarises the movement of units for the year/period ended 31 December 2022 and 2021, and the Accounting NAV per unit and the Dealing NAV per unit of the Sub-Funds as at 31 December 2022 and 2021.

	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (-1x) Inverse Product	
	Number of units		Number of units		Number of units		Number of units	
	2022	2021	2022	2021	2022	2021 ¹	2022	2021 ¹
Units in issue at beginning of year/period	820,000	1,620,000	234,600,000	239,400,000	33,200,000	–	28,000,000	–
Issued during the year/period	16,000,000	–	69,600,000	93,600,000	27,200,000	97,200,000	–	190,400,000
Redeemed during the year/period	(8,800,000)	(800,000)	(92,000,000)	(98,400,000)	(15,200,000)	(64,000,000)	(24,000,000)	(162,400,000)
Units in issue at end of year/period	<u>8,020,000</u>	<u>820,000</u>	<u>212,200,000</u>	<u>234,600,000</u>	<u>45,200,000</u>	<u>33,200,000</u>	<u>4,000,000</u>	<u>28,000,000</u>
	Net assets attributable to unitholders		Net assets attributable to unitholders		Net assets attributable to unitholders		Net assets attributable to unitholders	
	2022	2021	2022	2021	2022	2021	2022	2021
	US\$	US\$	US\$	US\$	RMB	RMB	RMB	RMB
Accounting NAV per unit at end of year/period	1.1426	2.8028	0.9124	0.9981	4.4798	8.1066	6.4186	5.5558
Dealing NAV per unit at end of year/period	1.1465	2.8573	0.9127	0.9984	4.4984	8.1414	6.6304	5.5973

¹The financial period 2021 refer to the period from 24 July 2020 (date of commencement of operations) to 31 December 2021.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(b) Movement of units (continued)

	CSOP FTSE China A50 Index Daily (2x) Leveraged Product		CSOP FTSE China A50 Index Daily (-1x) Inverse Product		CSOP Gold Futures Daily (-1x) Inverse Product	CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product
	Number of units		Number of units		Number of units	Number of units
	2022	2021 ²	2022	2021 ²	2022 ³	2022 ⁴
Units in issue at beginning of year/period	10,000,000	–	21,600,000	–	–	–
Issued during the year/period	3,600,000	12,800,000	400,000	22,400,000	12,800,000	16,000,000
Redeemed during the year/period	(6,800,000)	(2,800,000)	(19,600,000)	(800,000)	(10,400,000)	(12,000,000)
Units in issue at end of year/period	<u>6,800,000</u>	<u>10,000,000</u>	<u>2,400,000</u>	<u>21,600,000</u>	<u>2,400,000</u>	<u>4,000,000</u>
	Net assets attributable to unitholders		Net assets attributable to unitholders		Net assets attributable to unitholders	Net assets attributable to unitholders
	2022	2021	2022	2021	2022	2022
	US\$	US\$	US\$	US\$	US\$	US\$
Accounting NAV per unit at end of year/period	0.4746	0.7116	1.1529	1.0605	0.9309	0.5387
Dealing NAV per unit at end of year/period	0.4786	0.7152	1.1641	1.0621	0.9444	0.5477

²The financial period 2021 refer to the period from 19 January 2021 (date of commencement of operations) to 31 December 2021.

³The financial period 2022 refer to the period from 19 October 2021 (date of commencement of operations) to 31 December 2022.

⁴The financial period 2022 refer to the period from 30 November 2021 (date of commencement of operations) to 31 December 2022.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

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

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

(a) Management fee

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

	<u>Maximum rate of the net asset value in %</u>	<u>Annual rate of the net asset value in %</u>
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	3%	1.50%
CSOP Gold Futures Daily (2x) Leveraged Product	3%	1.50%
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	3%	1.60%
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	3%	1.60%
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	3%	1.60%
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	3%	1.60%
CSOP Gold Futures Daily (-1x) Inverse Product ³	3%	1.60%
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	3%	1.60%

The management fee for the year/period ended 31 December 2022 and management fee payable to the Manager as at 31 December 2022 are as follows:

	<u>Management fee</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$90,971	US\$28,922
CSOP Gold Futures Daily (2x) Leveraged Product	US\$2,766,117	US\$3,730,969
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	RMB3,395,209	RMB11,048,556
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	RMB1,586,464	RMB12,849,469
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$73,928	US\$127,962
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$168,707	US\$335,105
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$58,036	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	US\$58,167	N/A

¹The financial period 2021 refer to the period from 24 July 2020 (date of commencement of operations) to 31 December 2021.

²The financial period 2021 refer to the period from 19 January 2021 (date of commencement of operations) to 31 December 2021.

³The financial period 2022 refer to the period from 19 October 2021 (date of commencement of operations) to 31 December 2022.

⁴The financial period 2022 refer to the period from 30 November 2021 (date of commencement of operations) to 31 December 2022.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(a) Management fee (continued)

	<u>Management fee payable</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$ 21,046	–
CSOP Gold Futures Daily (2x) Leveraged Product	US\$774,460	US\$914,637
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	RMB887,043	RMB1,144,297
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	RMB293,785	RMB731,172
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$7,123	US\$29,425
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$18,983	US\$96,094
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$2,422	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	US\$6,973	N/A

(b) Custodian, fund administration and trustee fees

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

(c) Formation fee

The formation fee incurred establishing the Sub-Funds for the year/period ended 31 December 2022 as follow:

	<u>Formation fee</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	–	–
CSOP Gold Futures Daily (2x) Leveraged Product	–	–
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	–	RMB1,592,225
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	–	RMB1,600,642
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	–	US\$52,465
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	–	US\$52,621
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$49,922	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	US\$51,898	N/A

¹The financial period 2021 refer to the period from 24 July 2020 (date of commencement of operations) to 31 December 2021.

²The financial period 2021 refer to the period from 19 January 2021 (date of commencement of operations) to 31 December 2021.

³The financial period 2022 refer to the period from 19 October 2021 (date of commencement of operations) to 31 December 2022.

⁴The financial period 2022 refer to the period from 30 November 2021 (date of commencement of operations) to 31 December 2022.

The Sub-Funds have no formation fee payable as at 31 December 2022 (2021:Nil).

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

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

As at 31 December 2022, part of the interest-bearing bank balances were held with Citibank, Hong Kong, a related company of the Trustee. Refer to note 7 for details of cash and cash equivalents.

During the year/period ended 31 December 2022, the interest income earned from the bank balances maintained with Citibank, Hong Kong and the bank charges are as follow:

	<u>Interest income earned</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$14	–
CSOP Gold Futures Daily (2x) Leveraged Product	US\$126,422	–
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	RMB16,711	RMB161,817
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	RMB7,431	RMB475,071
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$13	US\$5
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$20	US\$6
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$42	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	US\$26	N/A
	<u>Bank charges</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$2,149	US\$695
CSOP Gold Futures Daily (2x) Leveraged Product	US\$976	US\$870
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	RMB19,925	RMB21,482
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	RMB15,746	RMB22,363
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$1,694	US\$693
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$1,127	US\$681
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$1,090	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	US\$2,136	N/A

¹The financial period 2021 refer to the period from 24 July 2020 (date of commencement of operations) to 31 December 2021.

²The financial period 2021 refer to the period from 19 January 2021 (date of commencement of operations) to 31 December 2021.

³The financial period 2022 refer to the period from 19 October 2021 (date of commencement of operations) to 31 December 2022.

⁴The financial period 2022 refer to the period from 30 November 2021 (date of commencement of operations) to 31 December 2022.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(e) Margin accounts and interest expense

As at 31 December 2022, margin accounts being held with Citigroup Global Markets Limited, a related company of the Trustee, which are pledged as collateral against open futures contracts and Swap future contracts are as follow:

	<u>Margin accounts</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	–	–
CSOP Gold Futures Daily (2x) Leveraged Product	US\$23,998,566	US\$52,295,441
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	RMB51,136,187	RMB44,669,441
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	RMB5,215,167	RMB18,449,756
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$311,509	US\$522,146
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$110,598	US\$1,094,264
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$14	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	–	N/A

During the year/period ended 31 December 2022, the interest income earned and interest expense payable to Citigroup Global Markets Limited are as follow:

	<u>Interest income</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	–	–
CSOP Gold Futures Daily (2x) Leveraged Product	US\$21,108	US\$176
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	RMB23,674	RMB2,077
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	RMB5,600	RMB801
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$110	US\$113
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$26	US\$40
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$13	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	–	N/A

	<u>Interest expense</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$228	–
CSOP Gold Futures Daily (2x) Leveraged Product	US\$31,820	US\$16,999
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	RMB16,503	RMB7,001
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	RMB195	RMB3,593
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$11	US\$19
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$149	US\$105
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$850	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	–	N/A

¹The financial period 2021 refer to the period from 24 July 2020 (date of commencement of operations) to 31 December 2021.

²The financial period 2021 refer to the period from 19 January 2021 (date of commencement of operations) to 31 December 2021.

³The financial period 2022 refer to the period from 19 October 2021 (date of commencement of operations) to 31 December 2022.

⁴The financial period 2022 refer to the period from 30 November 2021 (date of commencement of operations) to 31 December 2022.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(f) Holdings of units

As at 31 December 2022, Citibank, N.A., the Trustee's affiliate, held the following units of the Sub-funds, as a market intermediary.

	2022 Units	2021 Units
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	998,600	600
CSOP Gold Futures Daily (2x) Leveraged Product	8,175,801	9,812,501
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	4,483,901	4,695,901
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	656,601	5,984,201
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	143,300	296,500
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	1,800	8,156,396
CSOP Gold Futures Daily (-1x) Inverse Product ³	800,000	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	–	N/A

¹The financial period 2021 refer to the period from 24 July 2020 (date of commencement of operations) to 31 December 2021.

²The financial period 2021 refer to the period from 19 January 2021 (date of commencement of operations) to 31 December 2021.

³The financial period 2022 refer to the period from 19 October 2021 (date of commencement of operations) to 31 December 2022.

⁴The financial period 2022 refer to the period from 30 November 2021 (date of commencement of operations) to 31 December 2022.

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

As at 31 December 2022, the Sub-Funds invested in an investment fund managed by the Manager and the details are as follows:

As at 31 December 2022

	Units	Fair value
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u>		
- CSOP US Dollar Money Market ETF	7,000	US\$731,680
- CSOP US Dollar Money Market ETF- (Unlisted Share Class A)	852,578	US\$891,199
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
- CSOP US Dollar Money Market ETF	409,827	US\$42,837,454
- CSOP US Dollar Money Market Fund	3,557,479	US\$3,605,149
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
- CSOP RMB Money Market ETF	120,000	RMB19,158,000
- CSOP US Dollar Money Market ETF	18,000	RMB13,066,515
<u>CSOP FTSE China A50 Index Daily (2x) Leveraged Product</u>		
- CSOP Hong Kong Dollar Money Market ETF	5,000	US\$671,673
- CSOP US Dollar Money Market ETF	5,000	US\$522,000
<u>CSOP FTSE China A50 Index Daily (-1x) Inverse Product</u>		
- CSOP Hong Kong Dollar Money Market ETF	4,000	US\$537,338
- CSOP US Dollar Money Market ETF	5,000	US\$522,000

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

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

As at 31 December 2022 (continued)

	Units	Fair value
<u>CSOP Gold Futures Daily (-1x) Inverse Product</u>		
- CSOP US Dollar Money Market ETF	3,000	US\$313,577
- CSOP US Dollar Money Market ETF- (Unlisted Share Class A)	117,488	US\$122,811
<u>CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product</u>		
- CSOP US Dollar Money Market ETF- (Unlisted Share Class A)	401,479	US\$419,666

As at 31 December 2021

	Units	Fair value
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u>		
- CSOP US Dollar Money Market ETF	3,000	US\$307,940
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
- CSOP US Dollar Money Market ETF	525,000	US\$53,889,465
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
- CSOP RMB Money Market ETF	410,000	RMB64,616,000
- CSOP US Dollar Money Market ETF	87,000	RMB56,862,202
<u>CSOP CSI 300 Index Daily (-1x) Inverse Product</u>		
- CSOP RMB Money Market ETF	240,000	RMB37,824,000
- CSOP US Dollar Money Market ETF	50,000	RMB32,679,426
<u>CSOP FTSE China A50 Index Daily (2x) Leveraged Product</u>		
- CSOP Hong Kong Dollar Money Market ETF	14,000	US\$1,855,707
- CSOP US Dollar Money Market ETF	16,000	US\$1,640,800
<u>CSOP FTSE China A50 Index Daily (-1x) Inverse Product</u>		
- CSOP Hong Kong Dollar Money Market ETF	35,000	US\$4,639,267
- CSOP US Dollar Money Market ETF	51,000	US\$5,230,050

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(h) Brokerage fees

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

For the year/period ended 31 December 2022, brokerage fees through Citigroup Global Markets Limited and Citibank, N.A., Hong Kong, the connected person of the Trustee are shown below:

	Aggregate value of purchases and sales of securities	Total commission paid	% of the Sub- Funds' total transactions during the year/period %	Average commission rate %
<u>CSOP NASDAQ-100 Index Daily (2x)</u>				
<u>Leveraged Product</u>				
31 December 2022				
Citibank, N.A., Hong Kong	US\$877,000	–	0.34%	0.00%
Citigroup Global Markets Limited	–	–	–	–
31 December 2021				
Citigroup Global Markets Limited	US\$4,597,999	–	7.70%	0.00%
<u>CSOP Gold Futures Daily (2x) Leveraged</u>				
<u>Product</u>				
31 December 2022				
Citibank, N.A., Hong Kong	US\$91,731,477	US\$3,518	1.35%	0.00%
Citigroup Global Markets Limited	US\$5,011,625,696	–	73.94%	0.00%
31 December 2021				
Citigroup Global Markets Limited	US\$6,700,237,202	US\$466	73.47%	0.00%
<u>CSOP CSI 300 Index Daily (2x) Leveraged</u>				
<u>Product</u>				
31 December 2022				
Citigroup Global Markets Limited	RMB57,861,987,339	–	66.29%	0.00%
31 December 2021				
Citigroup Global Markets Limited	RMB122,889,746	–	23.03%	0.00%
<u>CSOP CSI 300 Index Daily (-1x) Inverse</u>				
<u>Product</u>				
31 December 2022				
Citigroup Global Markets Limited	RMB15,138,985,508	–	67.86%	0.00%
31 December 2021				
Citigroup Global Markets Limited	RMB304,906,829	RMB306	40.00%	0.00%
<u>CSOP FTSE China A50 Index Daily (2x)</u>				
<u>Leveraged Product</u>				
31 December 2022				
Citigroup Global Markets Limited	US\$1,001,247,498	–	78.61%	0.00%
31 December 2021				
Citigroup Global Markets Limited	US\$48,592,402	–	36.92%	0.00%

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(h) Brokerage fees (continued)

	Aggregate value of purchases and sales of securities	Total commission paid	% of the Sub- Funds' total transactions during the year/period %	Average commission rate %
<u>CSOP FTSE China A50 Index Daily (-1x) Inverse Product</u>				
31 December 2022				
Citigroup Global Markets Limited	US\$1,159,475,310	—	79.42%	0.00%
31 December 2021				
Citigroup Global Markets Limited	US\$67,673,551	—	40.74%	0.00%
<u>CSOP Gold Futures Daily (-1x) Inverse Product</u>				
31 December 2022				
Citibank, N.A., Hong Kong	US\$4,848,000	—	4.28%	0.00%
Citigroup Global Markets Limited	US\$41,684,000	—	36.80%	0.00%
<u>CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product</u>				
31 December 2022				
Citibank, N.A., Hong Kong	US\$2,044,000	—	1.30%	0.00%

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(i) Investments held by the Trustee's affiliates

The investments deposited with Citibank, N.A., Hong Kong and Citigroup Global Markets Ltd, Trustee's affiliates as at 31 December 2022 are summarised below:

	Note	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (-1x) Inverse Product	
		2022 US\$	2021 US\$	2022 US\$	2021 US\$	2022 RMB	2021 RMB	2022 RMB	2021 RMB
<u>Financial assets valued at fair value through profit or loss</u>									
Citibank, N.A., Hong Kong	11	1,622,879	307,940	46,442,603	53,889,465	32,224,515	121,478,202	–	70,503,426
Citigroup Global Markets Ltd	11	–	–	9,173,008	1,750,425	517,516	4,524,918	194,786	–
<u>Financial liabilities valued at fair value through profit or loss</u>									
Citibank, N.A., Hong Kong	11	–	–	–	–	–	–	(93,336)	–
Citigroup Global Markets Ltd	11	–	–	–	(6,646,874)	(1,337,413)	(287,967)	–	(1,486,803)
	Note			CSOP FTSE China A50 Index Daily (2x) Leveraged Product		CSOP FTSE China A50 Index Daily (-1x) Inverse Product		CSOP Gold Futures Daily (-1x) Inverse Product	CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product
				2022 US\$	2021 US\$	2022 US\$	2021 US\$	2022 US\$	2022 US\$
<u>Financial assets valued at fair value through profit or loss</u>									
Citibank, N.A., Hong Kong	11			1,193,673	3,496,507	1,059,338	9,869,317	436,388	419,666
Citigroup Global Markets Ltd	11			–	–	670	119,450	–	–
<u>Financial liabilities valued at fair value through profit or loss</u>									
Citibank, N.A., Hong Kong	11			–	–	–	–	–	–
Citigroup Global Markets Ltd	11			(7,660)	(71,799)	–	–	–	–

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(j) Rebate income

Rebate income pertains to the management fee rebate income from Investments in other collective investment funds managed by CSOP Asset Management Limited for the year/period ended 31 December 2022, which is the common Manager of the Sub-Funds as stated in note 5(g). According to Chapter 7.11C of the SFC Code, where a scheme invests in any underlying schemes managed by the same management company or its connected persons, all initial charges and redemption charges on the underlying schemes must be waived. The Manager did not incur any initial and redemption charges on the Sub-Funds for the year/period ended 31 December 2022 and 2021.

As of 31 December 2022, the rebate income and rebate receivable from the Manager for the Sub-Funds is interest-free, unsecured and receivable less than 1 month are as follows:

	<u>Rebate income</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$4,031	US\$1,252
CSOP Gold Futures Daily (2x) Leveraged Product	US\$152,915	US\$160,885
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	RMB281,230	RMB632,717
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	RMB182,385	RMB611,856
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$7,470	US\$11,591
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$16,299	US\$28,273
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$3,296	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	US\$3,076	N/A
	<u>Rebate receivable</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$1,424	US\$272
CSOP Gold Futures Daily (2x) Leveraged Product	US\$36,768	US\$47,538
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	RMB44,172	RMB134,981
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	RMB15,601	RMB73,375
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$1,045	US\$2,852
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$1,250	US\$8,126
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$339	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	US\$563	N/A

¹The financial period 2021 refer to the period from 24 July 2020 (date of commencement of operations) to 31 December 2021.

²The financial period 2021 refer to the period from 19 January 2021 (date of commencement of operations) to 31 December 2021.

³The financial period 2022 refer to the period from 19 October 2021 (date of commencement of operations) to 31 December 2022.

⁴The financial period 2022 refer to the period from 30 November 2021 (date of commencement of operations) to 31 December 2022.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(k) Other income

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

	<u>Maximum rate of the net asset value in %</u>
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	3.00%
CSOP Gold Futures Daily (2x) Leveraged Product	1.54%
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	1.80%
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	3.00%
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	3.00%
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	3.00%
CSOP Gold Futures Daily (-1x) Inverse Product ³	1.99%
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	1.99%

	<u>Reimbursed from Manager</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	–	US\$42,016
CSOP Gold Futures Daily (2x) Leveraged Product	–	–
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	–	–
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	–	–
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$21,887	US\$20,464
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$3,472	–
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$35,593	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	US\$35,693	N/A

As of 31 December 2022, the amount reimbursed receivable for the Sub-Funds is receivable from the Manager is interest-free, unsecured and receivable less than 1 month are as follows:

	<u>Reimbursed receivable</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$1,157	US\$1,226
CSOP Gold Futures Daily (2x) Leveraged Product	–	–
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	–	–
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	–	–
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$22,394	US\$507
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$3,472	–
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$35,593	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	US\$35,693	N/A

¹The financial period 2021 refer to the period from 24 July 2020 (date of commencement of operations) to 31 December 2021.

²The financial period 2021 refer to the period from 19 January 2021 (date of commencement of operations) to 31 December 2021.

³The financial period 2022 refer to the period from 19 October 2021 (date of commencement of operations) to 31 December 2022.

⁴The financial period 2022 refer to the period from 30 November 2021 (date of commencement of operations) to 31 December 2022.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(1) Cash collateral liabilities and collateral management fee

As at 31 December 2022, cash collateral liabilities held by Citibank, N.A., Hong Kong Branch, an Trustee's affiliate are as follows:

	<u>Cash collateral liabilities</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	–	–
CSOP Gold Futures Daily (2x) Leveraged Product	US\$1,520,000	US\$50,000
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	–	RMB3,350,416
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	–	RMB100,000
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$20,000	–
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	–	US\$160,000
CSOP Gold Futures Daily (-1x) Inverse Product ³	–	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	–	N/A

During the year/period ended 31 December 2022, the collateral management fee payable to Cititrust Limited (“the Trustee”) are as follows:

	<u>Collateral management fee</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	–	–
CSOP Gold Futures Daily (2x) Leveraged Product	US\$5,853	US\$3,952
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	RMB65,376	RMB182,114
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	RMB50,129	RMB175,618
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$9,315	US\$10,539
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$8,956	US\$10,234
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$2,283	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	US\$650	N/A

¹The financial period 2021 refer to the period from 24 July 2020 (date of commencement of operations) to 31 December 2021.

²The financial period 2021 refer to the period from 19 January 2021 (date of commencement of operations) to 31 December 2021.

³The financial period 2022 refer to the period from 19 October 2021 (date of commencement of operations) to 31 December 2022.

⁴The financial period 2022 refer to the period from 30 November 2021 (date of commencement of operations) to 31 December 2022.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(m) Other operating expenses

The Sub-Funds paid Citibank, N.A., Hong Kong Branch, a Trustee's affiliate, as the administrator, financial statement preparation fee and out-of-pocket expenses for the year/period ended 31 December 2022 included in other operating expenses in the statement of profit or loss and other comprehensive income are as follow:

	<u>Financial statement preparation fee</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$7,500	US\$7,935
CSOP Gold Futures Daily (2x) Leveraged Product	US\$6,270	US\$8,731
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	RMB13,075	RMB115,657
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	RMB13,075	RMB115,657
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$7,913	US\$7,501
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$7,913	US\$7,501
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$7,499	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	US\$7,500	N/A
	<u>Out-of-pocket expenses</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$435	US\$1,741
CSOP Gold Futures Daily (2x) Leveraged Product	US\$1,559	US\$2,595
CSOP CSI 300 Index Daily (2x) Leveraged Product ¹	RMB21,391	RMB49,997
CSOP CSI 300 Index Daily (-1x) Inverse Product ¹	RMB13,009	RMB43,552
CSOP FTSE China A50 Index Daily (2x) Leveraged Product ²	US\$1,650	US\$2,091
CSOP FTSE China A50 Index Daily (-1x) Inverse Product ²	US\$1,551	US\$1,902
CSOP Gold Futures Daily (-1x) Inverse Product ³	US\$732	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product ⁴	US\$225	N/A

¹The financial period 2021 refer to the period from 24 July 2020 (date of commencement of operations) to 31 December 2021.

²The financial period 2021 refer to the period from 19 January 2021 (date of commencement of operations) to 31 December 2021.

³The financial period 2022 refer to the period from 19 October 2021 (date of commencement of operations) to 31 December 2022.

⁴The financial period 2022 refer to the period from 30 November 2021 (date of commencement of operations) to 31 December 2022.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

	<u>Margin accounts</u>	
	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$3,743,624	US\$597,901
CSOP Gold Futures Daily (2x) Leveraged Product	US\$37,230,118	US\$57,583,183
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB92,671,062	RMB83,847,069
CSOP CSI 300 Index Daily (-1x) Inverse Product	RMB10,413,933	RMB32,331,845
CSOP FTSE China A50 Index Daily (2x) Leveraged Product	US\$311,509	US\$522,146
CSOP FTSE China A50 Index Daily (-1x) Inverse Product	US\$110,598	US\$1,094,264
CSOP Gold Futures Daily (-1x) Inverse Product	US\$383,945	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product	US\$516,958	N/A

As at 31 December 2022, margin account maintained are pledged as collateral against open futures contracts and Swap future contracts. Refer to 5(e) for related balances and transactions with connected parties.

		<u>Amounts due from/(to) brokers</u>	
	Note	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		–	–
CSOP Gold Futures Daily (2x) Leveraged Product		–	US\$(12)
CSOP CSI 300 Index Daily (2x) Leveraged Product		–	–
CSOP CSI 300 Index Daily (-1x) Inverse Product	(a)	RMB806	RMB(17,419)
CSOP FTSE China A50 Index Daily (2x) Leveraged Product	(a)	US\$85,346	US\$(38,723)
CSOP FTSE China A50 Index Daily (-1x) Inverse Product	(b)	US\$(43,483)	US\$55,011
CSOP Gold Futures Daily (-1x) Inverse Product		–	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product		–	N/A

Note:

- (a) As at 31 December 2022, the amount due from brokers represents receivable for swap settlement not yet settled on the reporting date. The balance is receivable less than 1 month.
- (b) As at 31 December 2022, the amounts due to broker represents payable for swap settlement but not yet settled on the reporting date. The balance is repayable less than 1 month.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

8. SOFT COMMISSION ARRANGEMENTS

The Manager may effect transactions, provided that any such transaction is consistent with standards of “best execution”, by or through the agency of another person for the account of the Sub-Funds with whom the Manager or any of its connected persons has an arrangement under which that party will from time to time provide to or procure for the Manager or any of its connected persons goods, services or other benefits (such as advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Sub-Funds as a whole and may contribute to an improvement in the performance of the Sub-Funds. For the avoidance of doubt, such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees’ salaries or direct money payments. During the year/period ended 31 December 2022 and 2021, the Manager has not participated in any soft commission arrangements in respect of any transactions for the account of each of the Sub-Fund.

9. TAXATION

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

10. DISTRIBUTIONS TO UNITHOLDERS

The Manager may in its absolute discretion distribute income to unitholders annually (usually in December of each financial year) or determine that no distribution shall be made in any financial year. Distributions may not be paid if the cost of the Sub-Funds’ operations is higher than the yield from management of the Sub-Funds’ cash and holdings of investments. The Sub-Funds did not make any distribution for the year/period ended 31 December 2022 and 2021.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product		CSOP Gold Futures Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (2x) Leveraged Product		CSOP CSI 300 Index Daily (-1x) Inverse Product	
	2022	2021	2022	2021	2022	2021	2022	2021
	US\$	US\$	US\$	US\$	RMB	RMB	RMB	RMB
Financial assets at fair value through profit or loss								
Investment funds	1,622,879	307,940	46,442,603	53,889,465	32,224,515	121,478,202	–	70,503,426
Futures contracts (i)	–	61,604	8,017,040	20,340	–	–	–	–
Swap future contracts (i)	–	–	2,290,568	1,750,425	–	–	–	–
Total return swaps (ii)	–	–	–	–	–	6,371,428	109,763	–
Forward exchange contracts (iii)	–	–	–	–	517,516	–	187,600	–
	<u>1,622,879</u>	<u>369,544</u>	<u>56,750,211</u>	<u>55,660,230</u>	<u>32,742,031</u>	<u>127,849,630</u>	<u>297,363</u>	<u>70,503,426</u>
Financial liabilities at fair value through profit or loss								
Futures contracts (i)	(1,143,284)	–	–	(6,646,874)	–	–	–	–
Total return swaps (ii)	–	–	–	–	(2,235,587)	–	–	(1,884,410)
Forward exchange contracts (iii)	–	–	–	–	–	(287,967)	(93,336)	(160,726)
	<u>(1,143,284)</u>	<u>–</u>	<u>–</u>	<u>(6,646,874)</u>	<u>(2,235,587)</u>	<u>(287,967)</u>	<u>(93,336)</u>	<u>(2,045,136)</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

	CSOP FTSE China A50 Index Daily (2x) Leveraged Product		CSOP FTSE China A50 Index Daily (-1x) Inverse Product		CSOP Gold Futures Daily (-1x) Inverse Product	CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product
	2022	2021	2022	2021	2022	2022
	US\$	US\$	US\$	US\$	US\$	US\$
Financial assets at fair value through profit or loss						
Investment funds	1,193,673	3,496,507	1,059,338	9,869,317	436,388	419,666
Futures contracts (i)	–	–	–	–	–	–
Swap future contracts (i)	–	–	–	–	–	–
Total return swaps (ii)	–	–	45,976	230,925	–	–
Forward exchange contracts (iii)	–	–	–	–	–	–
	<u>1,193,673</u>	<u>3,496,507</u>	<u>1,105,314</u>	<u>10,100,242</u>	<u>436,388</u>	<u>419,666</u>
Financial liabilities at fair value through profit or loss						
Futures contracts (i)	–	–	–	–	(83,830)	(165,760)
Total return swaps (ii)	(99,688)	(160,077)	–	–	–	–
Forward exchange contracts (iii)	–	–	–	–	–	–
	<u>(99,688)</u>	<u>(160,077)</u>	<u>–</u>	<u>–</u>	<u>(83,830)</u>	<u>(165,760)</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(i) Futures contracts and Swap future contracts

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

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

As at 31 December 2022

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

Type of contract	Position	Underlying investment	Expiration date	Contracts	Nominal amount US\$	Fair value US\$
Index futures	Long	NASDAQ 100 E-Mini Index	17 March 2023	83	19,440,219	(1,143,284)

CSOP Gold Futures Daily (2x) Leveraged Product

Type of contract	Position	Underlying investment	Expiration date	Contracts	Nominal amount US\$	Fair value US\$
Index futures	Long	Solactive Gold 1-Day Rolling Futures Index	24 February 2023	1,000	175,737,560	6,882,440
Index futures	Long	Solactive Gold 1-Day Rolling Futures Index	24 February 2023	372	66,797,020	1,134,600
Swap futures	Long	Solactive Gold 1-Day Rolling Futures Index	24 February 2023	750	134,674,433	2,290,568

CSOP Gold Futures Daily (-1x) Inverse Product

Type of contract	Position	Underlying investment	Expiration date	Contracts	Nominal amount US\$	Fair value US\$
Index futures	Short	Solactive Gold 1-Day Rolling Futures Index	24 February 2023	12	(2,107,610)	(83,830)

CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product

Type of contract	Position	Underlying investment	Expiration date	Contracts	Nominal amount US\$	Fair value US\$
Index futures	Short	Solactive WTI 1-Day Rolling Futures Index	20 January 2023	27	(2,001,179)	(165,760)

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(i) *Futures contracts and Swap future contracts (continued)*

As at 31 December 2021

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

Type of contract	Position	Underlying investment	Expiration date	Contracts	Nominal amount US\$	Fair value US\$
Index futures	Long	NASDAQ 100 E-Mini Index	18 March 2022	14	4,508,206	61,604

CSOP Gold Futures Daily (2x) Leveraged Product

Type of contract	Position	Underlying investment	Expiration date	Contracts	Nominal amount US\$	Fair value US\$
Index futures	Long	Solactive Gold 1-Day Rolling Futures Index	24 February 2022	31	5,648,220	20,340
Swap futures	Long	Solactive Gold 1-Day Rolling Futures Index	24 February 2022	750	135,394,575	1,750,425
Index futures	Long	Solactive Gold 1-Day Rolling Futures Index	24 February 2022	1,775	331,223,374	(6,646,874)

(ii) *Total return swaps*

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

As at 31 December 2022

CSOP CSI 300 Index Daily (2x) Leveraged Product

Type of contract	Position	Counterparty	Underlying investment	Expiration date	Contracts	Notional amount RMB	Fair value RMB
Total return swap	Long	CICC Financial Trading Limited	CSI 300 Index	30 May 2023	42,493	165,404,552	(887,379)
Total return swap	Long	HSBC Hong Kong Citigroup	CSI 300 Index	12 December 2023	500	1,946,610	(10,795)
Total return swap	Long	Global Markets Limited	CSI 300 Index	14 July 2023	62,194	242,129,570	(1,337,413)

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(ii) *Total return swaps* (continued)

As at 31 December 2022 (continued)

Type of contract	Position	Counterparty	Underlying investment	Expiration date	Contracts	Notional amount RMB	Fair value RMB
Total return swap	Short	CICC Financial Trading Limited	CSI 300 Index	30 May 2023	4,251	16,550,081	91,782
Total return swap	Short	HSBC Hong Kong Citigroup	CSI 300 Index	12 December 2023	500	1,946,610	10,795
Total return swap	Short	Global Markets Limited	CSI 300 Index	14 July 2023	2,103	8,149,225	7,186

CSOP FTSE China A50 Index Daily (2x) Leveraged Product

Type of contract	Position	Counterparty	Underlying investment	Expiration date	Contracts	Notional amount US\$	Fair value US\$
Total return swap	Long	Societe Generale Citigroup	FTSE China A50 Index	30 January 2023	260	3,473,096	(92,028)
Total return swap	Long	Global Markets Limited	FTSE China A50 Index	30 January 2023	241	3,141,650	(7,660)

CSOP FTSE China A50 Index Daily (-1x) Inverse Product

Type of contract	Position	Counterparty	Underlying investment	Expiration date	Contracts	Notional amount US\$	Fair value US\$
Total return swap	Short	Citigroup Global Markets Limited	FTSE China A50 Index	30 January 2023	86	1,119,023	670
Total return swap	Short	Societe Generale	FTSE China A50 Index	30 January 2023	128	1,709,832	45,306

As at 31 December 2021

CSOP CSI 300 Index Daily (2x) Leveraged Product

Type of contract	Position	Counterparty	Underlying investment	Expiration date	Contracts	Notional amount RMB	Fair value RMB
Total return swap	Long	CICC Financial Trading Limited	CSI 300 Index	7 June 2022	32,390	158,172,074	1,846,510
Total return swap	Long	Global Markets Limited	CSI 300 Index	15 July 2022	76,948	375,626,672	4,524,918

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(ii) *Total return swaps* (continued)

As at 31 December 2021 (continued)

Type of contract	Position	Counterparty	Underlying investment	Expiration date	Contracts	Notional amount RMB	Fair value RMB
Total return swap	Short	CICC Financial Trading Limited Citigroup	CSI 300 Index	7 June 2022	9,517	46,459,168	(558,333)
Total return swap	Short	Global Markets Limited	CSI 300 Index	15 July 2022	22,132	108,014,192	(1,326,077)

CSOP FTSE China A50 Index Daily (2x) Leveraged Product

Type of contract	Position	Counterparty	Underlying investment	Expiration date	Contracts	Notional amount US\$	Fair value US\$
Total return swap	Long	Societe Generale	FTSE China A50 Index	28 January 2022	350	5,535,495	(41,192)
Total return swap	Long	J.P. Morgan Securities plc Citigroup	FTSE China A50 Index	28 January 2022	218	3,469,252	(47,086)
Total return swap	Long	Global Markets Limited	FTSE China A50 Index	28 January 2022	342	5,440,518	(71,799)

CSOP FTSE China A50 Index Daily (-1x) Inverse Product

Type of contract	Position	Counterparty	Underlying investment	Expiration date	Contracts	Notional amount US\$	Fair value US\$
Total return swap	Short	Citigroup Global Markets Limited	FTSE China A50 Index	28 January 2022	681	10,809,795	119,450
Total return swap	Short	J.P. Morgan Securities plc	FTSE China A50 Index	28 January 2022	218	3,467,734	45,568
Total return swap	Short	Societe Generale	FTSE China A50 Index	28 January 2022	560	8,856,793	65,907

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

(iii) Forward Exchange Contracts

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

As at 31 December 2022

CSOP CSI 300 Index Daily (2x) Leveraged Product

Type of contract	Position	Counterparty	Underlying index	Expiration date	Nominal amount RMB	Fair value RMB
Forward exchange contracts	Long	Citibank, N.A., Hong Kong	Currency	31 January 2023	111,483,200	517,516

CSOP CSI 300 Index Daily (-1x) Inverse Product

Type of contract	Position	Counterparty	Underlying index	Expiration date	Nominal amount RMB	Fair value RMB
Forward exchange contracts	Long	Citibank, N.A., Hong Kong	Currency	31 January 2023	40,412,660	187,600
Forward exchange contracts	Long	Citibank, N.A., Hong Kong	Currency	31 January 2023	3,800,000	(93,336)

As at 31 December 2021

CSOP CSI 300 Index Daily (2x) Leveraged Product

Type of contract	Position	Counterparty	Underlying index	Expiration date	Nominal amount RMB	Fair value RMB
Forward exchange contracts	Long	Citigroup Global Markets Limited	Currency	28 January 2022	137,105,500	(287,967)

CSOP CSI 300 Index Daily (-1x) Inverse Product

Type of contract	Position	Counterparty	Underlying index	Expiration date	Nominal amount RMB	Fair value RMB
Forward exchange contracts	Long	Citigroup Global Markets Limited	Currency	28 January 2022	76,524,000	(160,726)

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

12. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

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

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

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

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

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

The following are the securities that individually accounted for more than 10% of the NAV of the Sub-Funds as at 31 December 2022.

As at 31 December 2022

	Fair value	% of net assets
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
- CSOP US Dollar Money Market ETF	US\$42,837,454	22.13
<u>CSOP FTSE China A50 Index Daily (2x) Leveraged Product</u>		
- CSOP Hong Kong Dollar Money Market ETF	US\$671,673	20.81
- CSOP US Dollar Money Market ETF	US\$522,000	16.17
<u>CSOP FTSE China A50 Index Daily (-1x) Inverse Product</u>		
- CSOP Hong Kong Dollar Money Market ETF	US\$537,338	19.42
- CSOP US Dollar Money Market ETF	US\$522,000	18.87
<u>CSOP Gold Futures Daily (-1x) Inverse Product</u>		
- CSOP US Dollar Money Market ETF	US\$313,577	14.04
<u>CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product</u>		
- CSOP US Dollar Money Market ETF - (Unlisted Share Class A)	US\$419,666	19.48

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

12. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (CONTINUED)

As at 31 December 2021

	Fair value	% of net assets
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u>		
- CSOP US Dollar Money Market ETF	US\$307,940	13.40
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
- CSOP US Dollar Money Market ETF	US\$53,889,465	23.01
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
- CSOP RMB Money Market ETF	RMB64,616,000	24.01
- CSOP US Dollar Money Market ETF	RMB56,862,202	21.12
<u>CSOP CSI 300 Index Daily (-1x) Inverse Product</u>		
- CSOP RMB Money Market ETF	RMB37,824,000	24.31
- CSOP US Dollar Money Market ETF	RMB32,679,426	21.01
<u>CSOP FTSE China A50 Index Daily (2x) Leveraged Product</u>		
- CSOP Hong Kong Dollar Money Market ETF	US\$1,855,707	26.08
- CSOP US Dollar Money Market ETF	US\$1,640,800	23.05
<u>CSOP FTSE China A50 Index Daily (-1x) Inverse Product</u>		
- CSOP Hong Kong Dollar Money Market ETF	US\$4,639,267	20.25
- CSOP US Dollar Money Market ETF	US\$5,230,050	22.83

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Strategy in using financial instruments

Investment objective and investment policies

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

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk

(i) *Market price risk*

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

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

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

	CSOP NASDAQ-100 Index Daily (2x) Leveraged Product As at 31 December 2022		As at 31 December 2021	
	Fair value US\$	% of net asset value	Fair value US\$	% of net asset value
<u>Investment funds</u>				
Hong Kong	1,622,879	17.71	307,940	13.40
<u>Index futures</u>				
The United States of America	–	–	61,604	2.68
Total financial assets at FVPL	<u>1,622,879</u>	<u>17.71</u>	<u>369,544</u>	<u>16.08</u>
<u>Index futures</u>				
The United States of America	(1,143,284)	(12.48)	–	–
Total financial liabilities at FVPL	<u>(1,143,284)</u>	<u>(12.48)</u>	<u>–</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(i) Market price risk (continued)

	CSOP Gold Futures Daily (2x) Leveraged Product			
	As at 31 December 2022		As at 31 December 2021	
	Fair value US\$	% of net asset value	Fair value US\$	% of net asset value
<u>Investment funds</u>				
Hong Kong	42,837,454	22.13	53,889,465	23.01
Singapore	3,605,149	1.86	–	–
<u>Index futures</u>				
The United States of America	8,017,040	4.14	20,340	0.01
<u>Swap futures</u>				
The United States of America	2,290,568	1.18	1,750,425	0.75
Total financial assets at FVPL	<u>56,750,211</u>	<u>29.31</u>	<u>55,660,230</u>	<u>23.77</u>
<u>Index futures</u>				
The United States of America	–	–	(6,646,874)	(2.84)
Total financial liabilities at FVPL	<u>–</u>	<u>–</u>	<u>(6,646,874)</u>	<u>(2.84)</u>
	CSOP CSI 300 Index Daily (2x) Leveraged Product			
	As at 31 December 2022		As at 31 December 2021	
	Fair value RMB	% of net asset value	Fair value RMB	% of net asset value
<u>Investment funds</u>				
Hong Kong	32,224,515	15.91	121,478,202	45.13
<u>Total return swaps</u>				
China	–	–	6,371,428	2.37
<u>Forward contracts</u>				
Hong Kong	517,516	0.26	–	–
Total financial assets at FVPL	<u>32,742,031</u>	<u>16.17</u>	<u>127,849,630</u>	<u>47.50</u>
<u>Forward contracts</u>				
Hong Kong	–	–	(287,967)	(0.11)
<u>Total return swaps</u>				
China	(2,235,587)	(1.10)	–	–
Total financial liabilities at FVPL	<u>(2,235,587)</u>	<u>(1.10)</u>	<u>(287,967)</u>	<u>(0.11)</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(i) *Market price risk* (continued)

	CSOP FTSE China A50 Index Daily (-1x) Inverse Product		CSOP Gold Futures	
	As at 31 December 2022	As at 31 December 2021	Daily (-1x) Inverse Product	
	Fair value US\$	% of net asset value	Fair value US\$	% of net asset value
<u>Investment funds</u>				
Hong Kong	1,059,338	38.29	9,869,317	43.08
<u>Total return swaps</u>				
China	45,976	1.66	230,925	1.01
Total financial assets at FVPL	<u>1,105,314</u>	<u>39.95</u>	<u>10,100,242</u>	<u>44.09</u>
			CSOP Gold Futures	
			Daily (-1x) Inverse	
			Product	
			As at 31 December	
			2022	
			Fair value US\$	% of net asset value
<u>Investment funds</u>				
Hong Kong			436,388	19.53
Total financial assets at FVPL			<u>436,388</u>	<u>19.53</u>
<u>Index futures</u>				
The United States of America			(83,830)	(3.75)
Total financial liabilities at FVPL			<u>(83,830)</u>	<u>(3.75)</u>
			CSOP WTI Crude Oil Futures	
			Daily (-1x) Inverse Product	
			As at 31 December 2022	
			Fair value US\$	% of net asset value
<u>Investment funds</u>				
Hong Kong			419,666	19.48
Total financial assets at FVPL			<u>419,666</u>	<u>19.48</u>
<u>Index futures</u>				
The United States of America			(165,760)	(7.69)
Total financial liabilities at FVPL			<u>(165,760)</u>	<u>(7.69)</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(i) *Market price risk* (continued)

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

As at 31 December 2022, if the Index increases by the following sensitivity threshold with all other variables held constant, this would increase the net asset value by the amount stated below. Conversely, if the tracked index decreases by the same sensitivity threshold, this would decrease the net asset value by approximately equal amounts.

As at 31 December 2022

	Sensitivity threshold in %	Impact
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u> NASDAQ-100 Index	33%	US\$6,043,000
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u> Solactive Gold 1-Day Rolling Futures Index	3%	US\$10,571,000
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u> CSI 300 Index	22%	RMB87,596,000
<u>CSOP CSI 300 Index Daily (-1x) Inverse Product</u> CSI 300 Index	22%	RMB5,553,000
<u>CSOP FTSE China A50 Index Daily (2x) Leveraged Product</u> FTSE China A50 Index	17%	US\$1,108,000
<u>CSOP FTSE China A50 Index Daily (-1x) Inverse Product</u> FTSE China A50 Index	17%	US\$475,000
<u>CSOP Gold Futures Daily (-1x) Inverse Product</u> Solactive Gold 1-Day Rolling Futures Index	3%	US\$61,000
<u>CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product</u> Solactive WTI 1-Day Rolling Futures Index	43%	US\$926,000

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(i) *Market price risk* (continued)

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

As at 31 December 2021

	Sensitivity threshold in %	Impact
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u> NASDAQ-100 Index	27%	US\$1,224,000
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u> Solactive Gold 1-Day Rolling Futures Index	4%	US\$19,949,000
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u> CSI 300 Index	10%	RMB51,944,000
<u>CSOP CSI 300 Index Daily (-1x) Inverse Product</u> CSI 300 Index	10%	RMB15,012,000
<u>CSOP FTSE China A50 Index Daily (2x) Leveraged Product</u> FTSE China A50 Index	15%	US\$2,068,000
<u>CSOP FTSE China A50 Index Daily (-1x) Inverse Product</u> FTSE China A50 Index	15%	US\$3,328,000

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

(ii) *Interest rate risk*

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

As at 31 December 2022, except for bank balances and margin accounts subject to floating interest rates, the majority of the Sub-Funds’ financial assets and financial liabilities are non-interest bearing. Given that the interest arising from the bank balances is immaterial, the Manager considers the interest rate risk to be low.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(iii) *Currency risk*

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

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product, CSOP Gold Futures Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (2x) Leveraged Product, CSOP FTSE China A50 Index Daily (-1x) Inverse Product, CSOP Gold Futures Daily (-1x) Inverse Product and CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product hold assets and liabilities denominated in United States dollars, which is also the functional currency. The Manager considers that there is no material currency risk to these Sub-Funds.

The functional currency of CSOP CSI 300 Index Daily (2x) Leveraged Product and CSOP CSI 300 Index Daily (-1x) Inverse Product is Renminbi (“RMB”). These Sub-Funds are exposed to currency risk primarily through recognised assets or liabilities that are denominated in United States dollars (“US\$”) and Hong Kong dollars (“HKD”), where fluctuations in the relevant exchange rates may have an impact on the income and value of these Sub-Funds. The Manager may seek to minimise exposure to foreign currency fluctuation to the extent practicable.

The following table details the exposure to currency risk of CSOP CSI 300 Index Daily (2x) Leveraged Product and CSOP CSI 300 Index Daily (-1x) Inverse Product at the end of the reporting period.

	CSOP CSI 300 Index Daily (2x) Leveraged Product	
	2022	2021
	RMB	RMB
Net assets exposed to US\$	6,876,421	3,320,671
Net assets exposed to HKD	8,806	8,072
	CSOP CSI 300 Index Daily (-1x) Inverse Product	
	2022	2021
	RMB	RMB
Net assets exposed to US\$	1,109,967	5,280,706
Net assets exposed to HKD	300	275

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(iii) Currency risk (continued)

As at 31 December 2022, if US\$ and HKD strengthens/weakens against RMB by 5% with all other variables being constant, the total comprehensive income for the year of CSOP CSI 300 Index Daily (2x) Leveraged Product and CSOP CSI 300 Index Daily (-1x) Inverse Product would have been increased/decreased as follow:

	2022 RMB	2021 RMB
CSOP CSI 300 Index Daily (2x) Leveraged Product	344,262	166,438
CSOP CSI 300 Index Daily (-1x) Inverse Product	55,513	264,049

(c) Credit risk

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

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

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

Financial assets subject to IFRS 9's impairment requirements

The Sub-Funds' financial assets subject to the ECL model within IFRS 9 are interest receivable, other receivables, amount due from participating dealers, amount due from broker, margin accounts and cash and cash equivalents. At 31 December 2022, the total amount of these financial assets for the Sub-Funds are stated below, on which no loss allowance had been provided. No assets are considered impaired and no amounts have been written off during the year/period.

	2022	2021
CSOP NASDAQ-100 Index Daily (2x) Leveraged Product	US\$8,736,225	US\$1,943,123
CSOP Gold Futures Daily (2x) Leveraged Product	US\$139,242,624	US\$186,162,992
CSOP CSI 300 Index Daily (2x) Leveraged Product	RMB174,192,881	RMB146,942,327
CSOP CSI 300 Index Daily (-1x) Inverse Product	RMB26,266,646	RMB97,442,913
CSOP FTSE China A50 Index Daily (2x) Leveraged Product	US\$2,201,583	US\$3,874,736
CSOP FTSE China A50 Index Daily (-1x) Inverse Product	US\$1,772,566	US\$13,094,688
CSOP Gold Futures Daily (-1x) Inverse Product	US\$1,904,944	N/A
CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product	US\$1,929,454	N/A

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

Financial assets subject to IFRS 9's impairment requirements (continued)

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

Financial assets not subject to IFRS 9's impairment requirements

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

The tables below summarise the Sub-Funds' assets placed with banks and brokers and the credit ratings of these banks and brokers are at or above investment grade as at 31 December 2022 and 2021:

As at 31 December 2022

	CSOP NASDAQ- 100 Index Daily (2x) Leveraged Product 2022 US\$	CSOP Gold Futures Daily (2x) Leveraged Product 2022 US\$	CSOP CSI 300 Index Daily (2x) Leveraged Product 2022 RMB	CSOP CSI 300 Index Daily (-1x) Inverse Product 2022 RMB	CSOP FTSE China A50 Index Daily (2x) Leveraged Product 2022 US\$	CSOP FTSE China A50 Index Daily (- 1x) Inverse Product 2022 US\$	CSOP Gold Futures Daily (-1x) Inverse Product 2022 US\$	CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product 2022 US\$
<u>Financial assets at FVPL</u>								
BNP Paribas MLA	–	1,134,600	–	–	–	–	–	–
CICC Financial Trading Limited	–	–	–	91,782	–	–	–	–
Citibank, N.A., Hong Kong	1,622,879	46,442,603	33,224,515	–	1,193,673	1,059,338	436,388	419,666
Citigroup Global Markets Limited	–	9,173,008	517,516	194,786	–	670	–	–
HSBC Hong Kong	–	–	–	10,795	–	–	–	–
Societe Generale SA-Paris	–	–	–	–	–	45,306	–	–
<u>Bank balances and margin accounts</u>								
BNP Paribas MLA	3,743,624	13,231,552	–	–	–	–	383,931	516,958
China Everbright Bank Co., Ltd	957,000	19,898,000	22,633,644	3,857,964	437,014	364,168	318,000	307,000
CICC Financial Trading Limited	–	–	41,534,875	5,198,766	–	–	–	–
Citibank, N.A., Hong Kong	741,989	20,296,695	23,078,909	3,676,713	386,109	321,553	233,944	181,337
Citigroup Global Markets Limited	–	23,998,567	51,136,187	5,215,167	311,509	110,598	14	–
CMB Wing Lung Bank Ltd	989,936	16,249,936	27,034,718	4,227,565	300,936	334,936	306,000	306,000
Industrial and Commercial Bank of China	1,222,537	21,305,969	8,730,376	4,074,064	375,329	334,632	307,000	301,000
United Overseas Bank	1,078,558	15,540,073	–	–	280,157	300,214	320,123	279,285
<u>Term deposits</u>								
Bank of Shanghai (Hong Kong) Ltd	–	8,681,206	–	–	–	–	–	–

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued) As at 31 December 2021

	CSOP NASDAQ- 100 Index Daily (2x) Leveraged Product 2021 US\$	CSOP Gold Futures Daily (2x) Leveraged Product 2021 US\$	CSOP CSI 300 Index Daily (2x) Leveraged Product 2021 RMB	CSOP CSI 300 Index Daily (-1x) Inverse Product 2021 RMB	CSOP FTSE China A50 Index Daily (2x) Leveraged Product 2021 US\$	CSOP FTSE China A50 Index Daily (- 1x) Inverse Product 2021 US\$
<u>Financial assets at FVPL</u>						
CICC Financial Trading Limited	–	–	1,846,510	–	–	–
Citibank, N.A., Hong Kong	307,940	53,889,465	121,478,202	70,503,426	3,496,507	9,869,317
Citigroup Global Markets Limited	–	1,750,425	4,524,918	–	–	119,450
JP Morgan Securities PLC	–	–	–	–	–	45,568
Societe Generale SA-Paris	–	–	–	–	–	65,907
United Bank of Switzerland AG	61,604	20,340	–	–	–	–
<u>Bank balances and margin accounts</u>						
CICC Financial Trading Limited	–	–	39,177,628	13,882,088	–	–
China Everbright Bank Co., Ltd	328,000	30,743,000	13,141,878	17,459,000	922,000	2,709,000
Citibank, N.A., Hong Kong	296,689	30,225,604	31,754,855	14,839,592	853,041	2,272,425
Citigroup Global Markets Limited	–	52,295,441	44,669,441	18,449,757	522,146	1,094,264
CMB Wing Lung Bank Ltd	70,000	6,642,000	5,741,000	5,990,000	677,000	1,157,000
Industrial and Commercial Bank of China	310,721	30,464,029	12,322,544	21,179,633	638,042	2,725,151
United Bank of Switzerland AG	597,901	5,287,742	–	–	–	–
<u>Term deposits</u>						
Bank of Shanghai (Hong Kong) Ltd	337,136	30,454,634	–	5,557,812	259,117	3,073,392

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in settling a liability, including a redemption request. The Sub-Funds' majority securities are considered readily realisable, as they are traded in an active market and can be readily disposed of. It is the intent of the Manager to monitor the Sub-Funds' liquidity position on a daily basis. The following table illustrates the expected liquidity of financial assets held and gives the contractual undiscounted cash-flow projection of the Sub-Funds' financial liabilities as at 31 December 2022 and 2021. The Sub-Funds manage their liquidity risk by investing in securities that they expect to be able to liquidate within 12 months or less. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

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

As at 31 December 2022

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	–	1,622,879	–	–	–	1,622,879
Other receivables	–	2,581	–	–	–	2,581
Margin accounts	3,743,624	–	–	–	–	3,743,624
Cash and cash equivalents	4,990,020	–	–	–	–	4,990,020
Total	8,733,644	1,625,460	–	–	–	10,359,104
Financial liabilities						
Financial liabilities at fair value through profit or loss	–	–	1,143,284	–	–	1,143,284
Management fee payable	–	21,046	–	–	–	21,046
Other payables and accruals	–	31,070	–	–	–	31,070
Total	–	52,116	1,143,284	–	–	1,195,400

As at 31 December 2022, there were 3 major unitholders respectively held 14%, 12% and 12% of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

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

As at 31 December 2021

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	307,940	61,604	–	–	–	369,544
Interest receivable	–	28	–	–	–	28
Other receivables	–	2,648	–	–	–	2,648
Margin accounts	597,901	–	–	–	–	597,901
Cash and cash equivalents	1,342,546	–	–	–	–	1,342,546
Total	<u>2,248,387</u>	<u>64,280</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,312,667</u>
Financial liabilities						
Other payables and accruals	–	14,338	–	–	–	14,338
Total	<u>–</u>	<u>14,338</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>14,338</u>

As at 31 December 2021, there were 2 major unitholders respectively held 73% and 11% of CSOP NASDAQ-100 Index Daily (2x) Leveraged Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP Gold Futures Daily (2x) Leveraged Product

As at 31 December 2022

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	–	46,442,603	10,307,608	–	–	56,750,211
Interest receivable	–	3,858	–	–	–	3,858
Other receivables	–	36,768	–	–	–	36,768
Margin accounts	37,230,118	–	–	–	–	37,230,118
Cash and cash equivalents	101,971,880	–	–	–	–	101,971,880
Total	<u>139,201,998</u>	<u>46,483,229</u>	<u>10,307,608</u>	<u>–</u>	<u>–</u>	<u>195,992,835</u>
Financial liabilities						
Management fee payable	–	774,460	–	–	–	774,460
Cash collateral liabilities	1,520,000	–	–	–	–	1,520,000
Other payables and accruals	–	89,285	–	–	–	89,285
Total	<u>1,520,000</u>	<u>863,745</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,383,745</u>

As at 31 December 2022, there were 2 major unitholders respectively held 17% and 16% of CSOP Gold Futures Daily (2x) Leveraged Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

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

As at 31 December 2021

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	53,889,465	1,770,765	–	–	–	55,660,230
Interest receivable	–	3,004	–	–	–	3,004
Other receivables	–	47,538	–	–	–	47,538
Margin accounts	57,583,183	–	–	–	–	57,583,183
Cash and cash equivalents	128,529,267	–	–	–	–	128,529,267
Total	<u>240,001,915</u>	<u>1,821,307</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>241,823,222</u>
Financial liabilities						
Financial liabilities at fair value through profit or loss	–	6,646,874	–	–	–	6,646,874
Amounts due to broker	–	12	–	–	–	12
Management fee payable	–	914,637	–	–	–	914,637
Cash collateral liabilities	50,000	–	–	–	–	50,000
Other payables and accruals	–	68,558	–	–	–	68,558
Total	<u>50,000</u>	<u>7,630,081</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>7,680,081</u>

As at 31 December 2021, there were 3 major unitholders respectively held 18%, 16% and 11% of CSOP Gold Futures Daily (2x) Leveraged Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP CSI 300 Index Daily (2x) Leveraged Product

As at 31 December 2022

	On demand RMB	Less than 1 month RMB	1 to 3 months RMB	3 to 12 months RMB	More than 12 months RMB	Total RMB
Financial assets						
Financial assets at fair value through profit or loss	–	32,224,515	517,516	–	–	32,742,031
Other receivables	–	44,172	–	–	–	44,172
Margin accounts	92,671,062	–	–	–	–	92,671,062
Cash and cash equivalents	81,477,647	–	–	–	–	81,477,647
Total	174,148,709	32,268,687	517,516	–	–	206,934,912
Financial liabilities						
Financial liabilities at fair value through profit or loss	–	–	–	2,235,587	–	2,235,587
Interest payable from Swap future contracts	–	780,590	–	–	–	780,590
Management fee payable	–	887,043	–	–	–	887,043
Other payables and accruals	–	544,216	–	–	–	544,216
Total	–	2,211,849	–	2,235,587	–	4,447,436

As at 31 December 2022, there were 2 major unitholders respectively held 15% and 10% of CSOP CSI 300 Index Daily (2x) Leveraged Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

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

As at 31 December 2021

	On demand RMB	Less than 1 month RMB	1 to 3 months RMB	3 to 12 months RMB	More than 12 months RMB	Total RMB
Financial assets						
Financial assets at fair value through profit or loss	121,478,202	6,371,428	–	–	–	127,849,630
Other receivables	–	134,981	–	–	–	134,981
Margin accounts	83,847,069	–	–	–	–	83,847,069
Cash and cash equivalents	62,960,277	–	–	–	–	62,960,277
Total	<u>268,285,548</u>	<u>6,506,409</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>274,791,957</u>
Financial liabilities						
Financial liabilities at fair value through profit or loss	–	287,967	–	–	–	287,967
Interest payable from Swap future contracts	–	461,934	–	–	–	461,934
Management fee payable	–	1,144,297	–	–	–	1,144,297
Other payables and accruals	–	407,743	–	–	–	407,743
Cash collateral liabilities	3,350,416	–	–	–	–	3,350,416
Total	<u>3,350,416</u>	<u>2,301,941</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>5,652,357</u>

As at 31 December 2021, there were 2 major unitholders holding 15% and 14% of CSOP CSI 300 Index Daily (2x) Leveraged Product's total net assets respectively.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP CSI 300 Index Daily (-1x) Inverse Product

As at 31 December 2022

	On demand RMB	Less than 1 month RMB	1 to 3 months RMB	3 to 12 months RMB	More than 12 months RMB	Total RMB
Financial assets						
Financial assets at fair value through profit or loss	–	–	187,600	109,763	–	297,363
Other receivables	–	15,601	–	–	–	15,601
Amounts due from broker	–	806	–	–	–	806
Margin accounts	10,413,933	–	–	–	–	10,413,933
Cash and cash equivalents	15,836,306	–	–	–	–	15,836,306
Total	<u>26,250,239</u>	<u>16,407</u>	<u>187,600</u>	<u>109,763</u>	<u>–</u>	<u>26,564,009</u>
Financial liabilities						
Financial liabilities at fair value through profit or loss	–	–	93,336	–	–	93,336
Management fee payable	–	293,785	–	–	–	293,785
Other payables and accruals	–	502,547	–	–	–	502,547
Total	<u>–</u>	<u>796,332</u>	<u>93,336</u>	<u>–</u>	<u>–</u>	<u>889,668</u>

As at 31 December 2022, there were 3 major unitholders respectively held 34%, 27% and 16% of CSOP CSI 300 Index Daily (-1x) Inverse Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP CSI 300 Index Daily (-1x) Inverse Product (continued)

As at 31 December 2021

	On demand RMB	Less than 1 month RMB	1 to 3 months RMB	3 to 12 months RMB	More than 12 months RMB	Total RMB
Financial assets						
Financial assets at fair value through profit or loss	70,503,426	–	–	–	–	70,503,426
Interest receivable	–	9,456	–	–	–	9,456
Other receivables	–	73,375	–	–	–	73,375
Amounts due from participating dealers	2,200	–	–	–	–	2,200
Margin accounts	32,331,845	–	–	–	–	32,331,845
Cash and cash equivalents	65,026,037	–	–	–	–	65,026,037
Total	167,863,508	82,831	–	–	–	167,946,339
Financial liabilities						
Financial liabilities at fair value through profit or loss	–	160,726	–	1,884,410	–	2,045,136
Interest payable from Swap future contracts	–	130,051	–	–	–	130,051
Amounts due to participating dealers	–	8,982,408	–	–	–	8,982,408
Amounts due to broker	–	17,419	–	–	–	17,419
Management fee payable	–	731,172	–	–	–	731,172
Other payables and accruals	–	379,018	–	–	–	379,018
Cash collateral liabilities	100,000	–	–	–	–	100,000
Total	100,000	10,400,794	–	1,884,410	–	12,385,204

As at 31 December 2021, there were 4 major unitholders respectively held 31%, 23%, 20% and 12% of CSOP CSI 300 Index Daily (-1x) Inverse Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP FTSE China A50 Index Daily (2x) Leveraged Product

As at 31 December 2022

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	–	1,193,673	–	–	–	1,193,673
Other receivables	–	25,183	–	–	–	25,183
Amounts due from broker	–	85,346	–	–	–	85,346
Margin accounts	311,509	–	–	–	–	311,509
Cash and cash equivalents	1,779,545	–	–	–	–	1,779,545
Total	2,091,054	1,304,202	–	–	–	3,395,256
Financial liabilities						
Financial liabilities at fair value through profit or loss	–	–	99,688	–	–	99,688
Management fee payable	–	7,123	–	–	–	7,123
Other payables and accruals	–	40,933	–	–	–	40,933
Cash collateral liabilities	–	20,000	–	–	–	20,000
Total	–	68,056	99,688	–	–	167,744

As at 31 December 2022, there were 4 major unitholders respectively held 14%, 14%, 12% and 11% of CSOP FTSE China A50 Index Daily (2x) Leveraged Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP FTSE China A50 Index Daily (2x) Leveraged Product (continued)

As at 31 December 2021

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	3,496,507	–	–	–	–	3,496,507
Interest receivable	–	31	–	–	–	31
Other receivables	–	3,359	–	–	–	3,359
Margin accounts	522,146	–	–	–	–	522,146
Cash and cash equivalents	3,349,200	–	–	–	–	3,349,200
Total	7,367,853	3,390	–	–	–	7,371,243
Financial liabilities						
Financial liabilities at fair value through profit or loss	–	160,077	–	–	–	160,077
Amounts due to broker	–	38,723	–	–	–	38,723
Management fee payable	–	29,425	–	–	–	29,425
Other payables and accruals	–	26,611	–	–	–	26,611
Total	–	254,836	–	–	–	254,836

As at 31 December 2021, there were 2 major unitholders respectively held 34% and 14% of CSOP FTSE China A50 Index Daily (2x) Leveraged Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP FTSE China A50 Index Daily (-1x) Inverse Product

As at 31 December 2022

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	–	1,059,338	45,976	–	–	1,105,314
Other receivables	–	6,465	–	–	–	6,465
Margin accounts	110,598	–	–	–	–	110,598
Cash and cash equivalents	1,655,503	–	–	–	–	1,655,503
Total	<u>1,766,101</u>	<u>1,065,803</u>	<u>45,976</u>	<u>–</u>	<u>–</u>	<u>2,877,880</u>
Financial liabilities						
Amounts due to broker	–	43,483	–	–	–	43,483
Management fee payable	–	18,983	–	–	–	18,983
Other payables and accruals	–	48,482	–	–	–	48,482
Total	<u>–</u>	<u>110,948</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>110,948</u>

As at 31 December 2022, there were 2 major unitholders respectively held 59% and 31% of CSOP FTSE China A50 Index Daily (-1x) Inverse Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP FTSE China A50 Index Daily (-1x) Inverse Product (continued)

As at 31 December 2021

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	9,869,317	230,925	–	–	–	10,100,242
Interest receivable	–	319	–	–	–	319
Other receivables	–	8,126	–	–	–	8,126
Amounts due from broker	–	55,011	–	–	–	55,011
Margin accounts	1,094,264	–	–	–	–	1,094,264
Cash and cash equivalents	11,936,968	–	–	–	–	11,936,968
Total	22,900,549	294,381	–	–	–	23,194,930
Financial liabilities						
Management fee payable	–	96,094	–	–	–	96,094
Other payables and accruals	–	32,860	–	–	–	32,860
Cash collateral liabilities	160,000	–	–	–	–	160,000
Total	160,000	128,954	–	–	–	288,954

As at 31 December 2021, there were 3 major unitholders respectively held 38%, 36% and 20% of CSOP FTSE China A50 Index Daily (-1x) Inverse Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP Gold Futures Daily (-1x) Inverse Product

As at 31 December 2022

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	–	436,388	–	–	–	436,388
Other receivables	–	35,932	–	–	–	35,932
Margin accounts	383,945	–	–	–	–	383,945
Cash and cash equivalents	<u>1,485,067</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,485,067</u>
Total	<u>1,869,012</u>	<u>472,320</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,341,332</u>
Financial liabilities						
Financial liabilities at fair value through profit or loss	–	–	83,830	–	–	83,830
Management fee payable	–	2,422	–	–	–	2,422
Other payables and accruals	<u>–</u>	<u>20,928</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>20,928</u>
Total	<u>–</u>	<u>23,350</u>	<u>83,830</u>	<u>–</u>	<u>–</u>	<u>107,180</u>

As at 31 December 2022, there were 3 major unitholders respectively held 42%, 33% and 18% of CSOP Gold Futures Daily (-1x) Inverse Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product

As at 31 December 2022

	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
Financial assets						
Financial assets at fair value through profit or loss	–	419,666	–	–	–	419,666
Other receivables	–	37,874	–	–	–	37,874
Margin accounts	516,958	–	–	–	–	516,958
Cash and cash equivalents	1,374,622	–	–	–	–	1,374,622
Total	1,891,580	457,540	–	–	–	2,349,120
Financial liabilities						
Financial liabilities at fair value through profit or loss	–	165,760	–	–	–	165,760
Management fee payable	–	6,973	–	–	–	6,973
Other payables and accruals	–	21,512	–	–	–	21,512
Total	–	194,245	–	–	–	194,245

As at 31 December 2022, there were 4 major unitholders respectively held 18%, 15%, 13% and 12% of CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product's total net assets.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation

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

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

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

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

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

Financial assets carried at fair value

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

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

<u>As at 31 December 2022</u>	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at FVPL:				
Investments funds	731,680	891,199	–	1,622,879
	<u>731,680</u>	<u>891,199</u>	<u>–</u>	<u>1,622,879</u>
Financial liabilities at FVPL:				
Futures contracts	1,143,284	–	–	1,143,284
	<u>1,143,284</u>	<u>–</u>	<u>–</u>	<u>1,143,284</u>
<u>As at 31 December 2021</u>				
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at FVPL:				
Investments funds	307,940	–	–	307,940
Futures contracts	61,604	–	–	61,604
	<u>369,544</u>	<u>–</u>	<u>–</u>	<u>369,544</u>

There were no transfers between levels during the years ended 31 December 2022 and 2021.

CSOP Gold Futures Daily (2x) Leveraged Product

<u>As at 31 December 2022</u>	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at FVPL:				
Investment funds	42,837,454	3,605,149	–	46,442,603
Futures contracts	8,017,040	–	–	8,017,040
Swap future contracts	–	2,290,568	–	2,290,568
	<u>50,854,494</u>	<u>5,895,717</u>	<u>–</u>	<u>56,750,211</u>
<u>As at 31 December 2021</u>				
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at FVPL:				
Investment funds	53,889,465	–	–	53,889,465
Futures contracts	20,340	–	–	20,340
Swap future contracts	–	1,750,425	–	1,750,425
	<u>53,909,805</u>	<u>1,750,425</u>	<u>–</u>	<u>55,660,230</u>
Financial liabilities at FVPL:				
Futures contracts	6,646,874	–	–	6,646,874
	<u>6,646,874</u>	<u>–</u>	<u>–</u>	<u>6,646,874</u>

There were no transfers between levels during the years ended 31 December 2022 and 2021.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

Financial assets carried at fair value (continued)

CSOP CSI 300 Index Daily (2x) Leveraged Product

<u>As at 31 December 2022</u>	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
Financial assets at FVPL:				
Investment funds	32,224,515	–	–	32,224,515
Forward contracts	–	517,516	–	517,516
	<u>32,224,515</u>	<u>517,516</u>	<u>–</u>	<u>32,742,031</u>
Financial liabilities at FVPL:				
Total return swaps	–	2,235,587	–	2,235,587
	<u>–</u>	<u>2,235,587</u>	<u>–</u>	<u>2,235,587</u>
<u>As at 31 December 2021</u>				
	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
Financial assets at FVPL:				
Investment funds	121,478,202	–	–	121,478,202
Total return swaps	–	6,371,428	–	6,371,428
	<u>121,478,202</u>	<u>6,371,428</u>	<u>–</u>	<u>127,849,630</u>
Financial liabilities at FVPL:				
Forward contracts	–	287,967	–	287,967
	<u>–</u>	<u>287,967</u>	<u>–</u>	<u>287,967</u>

There were no transfers between levels during the year/period ended 31 December 2022 and 2021.

CSOP CSI 300 Index Daily (-1x) Inverse Product

<u>As at 31 December 2022</u>	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
Financial assets at FVPL:				
Forward contracts	–	187,600	–	187,600
Total return swaps	–	109,763	–	109,763
	<u>–</u>	<u>297,363</u>	<u>–</u>	<u>297,363</u>
Financial liabilities at FVPL:				
Forward contracts	–	93,336	–	93,336
	<u>–</u>	<u>93,336</u>	<u>–</u>	<u>93,336</u>
<u>As at 31 December 2021</u>				
	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
Financial assets at FVPL:				
Investment funds	70,503,426	–	–	70,503,426
	<u>70,503,426</u>	<u>–</u>	<u>–</u>	<u>70,503,426</u>
Financial liabilities at FVPL:				
Forward contracts	–	160,726	–	160,726
Total return swaps	–	1,884,410	–	1,884,410
	<u>–</u>	<u>2,045,136</u>	<u>–</u>	<u>2,045,136</u>

There were no transfers between levels during the year/period ended 31 December 2022 and 2021.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

CSOP FTSE China A50 Index Daily (2x) Leveraged Product

<u>As at 31 December 2022</u>	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at FVPL:				
Investment funds	1,193,673	–	–	1,193,673
	<u>1,193,673</u>	<u>–</u>	<u>–</u>	<u>1,193,673</u>
Financial liabilities at FVPL:				
Total return swaps	–	99,688	–	99,688
	<u>–</u>	<u>99,688</u>	<u>–</u>	<u>99,688</u>
<u>As at 31 December 2021</u>				
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at FVPL:				
Investment funds	3,496,507	–	–	3,496,507
	<u>3,496,507</u>	<u>–</u>	<u>–</u>	<u>3,496,507</u>
Financial liabilities at FVPL:				
Total return swaps	–	160,077	–	160,077
	<u>–</u>	<u>160,077</u>	<u>–</u>	<u>160,077</u>

There were no transfers between levels during the year/period ended 31 December 2022 and 2021.

CSOP FTSE China A50 Index Daily (-1x) Inverse Product

<u>As at 31 December 2022</u>	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at FVPL:				
Investment funds	1,059,338	–	–	1,059,338
Total return swaps	–	45,976	–	45,976
	<u>1,059,338</u>	<u>45,976</u>	<u>–</u>	<u>1,105,314</u>
<u>As at 31 December 2021</u>				
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at FVPL:				
Investment funds	9,869,317	–	–	9,869,317
Total return swaps	–	230,925	–	230,925
	<u>9,869,317</u>	<u>230,925</u>	<u>–</u>	<u>10,100,242</u>

There were no transfers between levels during the year/period ended 31 December 2022 and 2021.

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

CSOP Gold Futures Daily (-1x) Inverse Product				
<u>As at 31 December 2022</u>	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Financial assets at FVPL:				
Investment funds	313,577	122,811	–	436,388
	<u>313,577</u>	<u>122,811</u>	<u>–</u>	<u>436,388</u>
Financial liabilities at FVPL:				
Futures contracts	83,830	–	–	83,830
	<u>83,830</u>	<u>–</u>	<u>–</u>	<u>83,830</u>

There were no transfers between levels during the period ended 31 December 2022.

CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product				
<u>As at 31 December 2022</u>	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Financial assets at FVPL:				
Investment funds	–	419,666	–	419,666
	<u>–</u>	<u>419,666</u>	<u>–</u>	<u>419,666</u>
Financial liabilities at FVPL:				
Futures contracts	165,760	–	–	165,760
	<u>165,760</u>	<u>–</u>	<u>–</u>	<u>165,760</u>

There were no transfers between levels during the period ended 31 December 2022.

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

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

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

Other financial assets and financial liabilities

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

(f) Capital risk management

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

The Manager may:

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

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

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

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

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

The tables below set out the carrying amounts of recognised financial assets and liabilities that are subject to the above arrangement, together with collateral held or pledged against these assets and liabilities as at 31 December 2022 and 2021:

CSOP NASDAQ-100 Index Daily (2x) Leveraged Product
As at 31 December 2022

	Gross amounts of recognised financial assets US\$	Gross amounts of recognised financial assets set-off in the statement of net assets US\$	Net amounts of financial assets presented in the statement of net assets US\$	Related amounts not set-off in the statement of net assets		Net amounts US\$
				Financial instruments US\$	Cash collateral received US\$	
Financial assets						
Margin accounts	3,743,624	–	3,743,624	(1,143,284)	–	2,600,340
Total	<u>3,743,624</u>	<u>–</u>	<u>3,743,624</u>	<u>(1,143,284)</u>	<u>–</u>	<u>2,600,340</u>
Financial liabilities						
Futures contracts	1,143,284	–	1,143,284	(1,143,284)	–	–
Total	<u>1,143,284</u>	<u>–</u>	<u>1,143,284</u>	<u>(1,143,284)</u>	<u>–</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

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

As at 31 December 2021

	Gross amounts of recognised financial assets US\$	Gross amounts of recognised financial assets set-off in the statement of net assets US\$	Net amounts of financial assets presented in the statement of net assets US\$	Related amounts not set-off in the statement of net assets		Net amounts US\$
				Financial instruments US\$	Cash collateral received US\$	
Financial assets						
Futures contracts	61,604	–	61,604	–	–	61,604
Margin accounts	597,901	–	597,901	–	–	597,901
Total	<u>659,505</u>	<u>–</u>	<u>659,505</u>	<u>–</u>	<u>–</u>	<u>659,505</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

CSOP Gold Futures Daily (2x) Leveraged Product

As at 31 December 2022

	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets	Net amounts of financial assets/liabilities presented in the statement of net assets	Related amounts not set-off in the statement of net assets		Net amounts
	US\$	US\$	US\$	Financial instruments	Cash collateral received	US\$
				US\$	US\$	
Financial assets						
Futures contracts	8,017,040	–	8,017,040	–	–	8,017,040
Swap future contracts	2,290,568	–	2,290,568	–	(1,520,000)	770,568
Margin accounts	37,230,118	–	37,230,118	–	–	37,230,118
Total	<u>47,537,726</u>	<u>–</u>	<u>47,537,726</u>	<u>–</u>	<u>(1,520,000)</u>	<u>46,017,726</u>
Financial liabilities						
Cash collateral liabilities	1,520,000	–	1,520,000	–	(1,520,000)	–
Total	<u>1,520,000</u>	<u>–</u>	<u>1,520,000</u>	<u>–</u>	<u>(1,520,000)</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

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

As at 31 December 2021

	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets US\$	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets US\$	Net amounts of financial assets/liabilities presented in the statement of net assets US\$	Related amounts not set-off in the statement of net assets		Net amounts US\$
	US\$	US\$	US\$	Financial instruments US\$	Cash collateral received US\$	US\$
Financial assets						
Futures contracts	20,340	–	20,340	–	–	20,340
Swap future contracts	1,750,425	–	1,750,425	–	–	1,750,425
Margin accounts	57,583,183	–	57,583,183	(6,646,874)	(50,012)	50,886,297
Total	<u>59,353,948</u>	<u>–</u>	<u>59,353,948</u>	<u>(6,646,874)</u>	<u>(50,012)</u>	<u>52,657,062</u>
Financial liabilities						
Futures contracts	6,646,874	–	6,646,874	(6,646,874)	–	–
Cash collateral liabilities	50,000	–	50,000	–	(50,000)	–
Amounts due to broker	12	–	12	–	(12)	–
Total	<u>6,696,886</u>	<u>–</u>	<u>6,696,886</u>	<u>(6,646,874)</u>	<u>(50,012)</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

CSOP CSI 300 Index Daily (2x) Leveraged Product
As at 31 December 2022

	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets RMB	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets RMB	Net amounts of financial assets/liabilities presented in the statement of net assets RMB	Related amounts not set-off in the statement of net assets		Net amounts RMB
				Financial instruments RMB	Cash collateral received RMB	
Financial assets						
Forward contracts	517,516	–	517,516	–	–	517,516
Margin accounts	92,671,062	–	92,671,062	(2,235,587)	–	90,435,475
Total	<u>93,188,578</u>	<u>–</u>	<u>93,188,578</u>	<u>(2,235,587)</u>	<u>–</u>	<u>90,952,991</u>
Financial liabilities						
Total return swaps	2,235,587	–	2,235,587	(2,235,587)	–	–
Total	<u>2,235,587</u>	<u>–</u>	<u>2,235,587</u>	<u>(2,235,587)</u>	<u>–</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

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

As at 31 December 2021

	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets RMB	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets RMB	Net amounts of financial assets/liabilities presented in the statement of net assets RMB	Related amounts not set-off in the statement of net assets		Net amounts RMB
				Financial instruments RMB	Cash collateral received RMB	
Financial assets						
Total return swaps	6,371,428	–	6,371,428	(287,967)	–	6,083,461
Margin accounts	83,847,069	–	83,847,069	–	(3,350,416)	80,496,653
Total	<u>90,218,497</u>	<u>–</u>	<u>90,218,497</u>	<u>(287,967)</u>	<u>(3,350,416)</u>	<u>86,580,114</u>
Financial liabilities						
Forward contracts	287,967	–	287,967	(287,967)	–	–
Cash collateral liabilities	3,350,416	–	3,350,416	–	(3,350,416)	–
Total	<u>3,638,383</u>	<u>–</u>	<u>3,638,383</u>	<u>(287,967)</u>	<u>(3,350,416)</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

CSOP CSI 300 Index Daily (-1x) Inverse Product

As at 31 December 2022

	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets	Net amounts of financial assets/liabilities presented in the statement of net assets	Related amounts not set-off in the statement of net assets		Net amounts
	RMB	RMB	RMB	RMB	Financial instruments	Cash collateral received	RMB
Financial assets							
Forward contracts	187,600	–	–	187,600	(93,336)	–	94,264
Total return swaps	109,763	–	–	109,763	–	–	109,763
Amounts due from broker	806	–	–	806	–	–	806
Margin accounts	10,413,933	–	–	10,413,933	–	–	10,413,933
Total	<u>10,712,102</u>	<u>–</u>	<u>–</u>	<u>10,712,102</u>	<u>(93,336)</u>	<u>–</u>	<u>10,618,766</u>
Financial liabilities							
Forward contracts	93,336	–	–	93,336	(93,336)	–	–
Total	<u>93,336</u>	<u>–</u>	<u>–</u>	<u>93,336</u>	<u>(93,336)</u>	<u>–</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

CSOP CSI 300 Index Daily (-1x) Inverse Product (continued)

As at 31 December 2021

	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets RMB	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets RMB	Net amounts of financial assets/liabilities presented in the statement of net assets RMB	Related amounts not set-off in the statement of net assets		Net amounts RMB
				Financial instruments RMB	Cash collateral received RMB	
Financial assets						
Margin accounts	32,331,845	–	32,331,845	(2,045,136)	(117,419)	30,169,290
Total	<u>32,331,845</u>	<u>–</u>	<u>32,331,845</u>	<u>(2,045,136)</u>	<u>(117,419)</u>	<u>30,169,290</u>
Financial liabilities						
Futures contracts	160,726	–	160,726	–	(160,726)	–
Total return swaps	1,884,410	–	1,884,410	–	(1,884,410)	–
Amounts due to broker	17,419	–	17,419	–	(17,419)	–
Cash collateral liabilities	100,000	–	100,000	–	(100,000)	–
Total	<u>2,162,555</u>	<u>–</u>	<u>2,162,555</u>	<u>–</u>	<u>(2,162,555)</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

CSOP FTSE China A50 Index Daily (2x) Leveraged Product

As at 31 December 2022

	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets	Net amounts of financial assets/liabilities presented in the statement of net assets	Related amounts not set-off in the statement of net assets		Net amounts
	US\$	US\$	US\$	US\$	Financial instruments US\$	Cash collateral received US\$	US\$
Financial assets							
Amounts due from broker	85,346	–	85,346	–	–	–	85,346
Margin accounts	311,509	–	311,509	(99,688)	(20,000)	–	191,821
Total	<u>396,855</u>	<u>–</u>	<u>396,855</u>	<u>(99,688)</u>	<u>(20,000)</u>	<u>–</u>	<u>277,167</u>
Financial liabilities							
Total return swaps	99,688	–	99,688	(99,688)	–	–	–
Cash collateral liabilities	20,000	–	20,000	–	(20,000)	–	–
Total	<u>119,688</u>	<u>–</u>	<u>119,688</u>	<u>(99,688)</u>	<u>(20,000)</u>	<u>–</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

CSOP FTSE China A50 Index Daily (2x) Leveraged Product (continued)

As at 31 December 2021

	Gross amounts of recognised financial assets/liabilities US\$	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets US\$	Net amounts of financial assets/liabilities presented in the statement of net assets US\$	Related amounts not set-off in the statement of net assets		Net amounts US\$
				Financial instruments US\$	Cash collateral received US\$	
Financial assets						
Margin accounts	522,146	–	522,146	(160,077)	(38,723)	323,346
Total	<u>522,146</u>	<u>–</u>	<u>522,146</u>	<u>(160,077)</u>	<u>(38,723)</u>	<u>323,346</u>
Financial liabilities						
Total return swaps	160,077	–	160,077	(160,077)	–	–
Amounts due to broker	38,723	–	38,723	–	(38,723)	–
Total	<u>198,800</u>	<u>–</u>	<u>198,800</u>	<u>(160,077)</u>	<u>(38,723)</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

CSOP FTSE China A50 Index Daily (-1x) Inverse Product

As at 31 December 2022

	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets	Net amounts of financial assets/liabilities presented in the statement of net assets	Related amounts not set-off in the statement of net assets		Net amounts
	US\$	US\$	US\$	US\$	Financial instruments	Cash collateral received	US\$
					US\$	US\$	
Financial assets							
Total return swaps	45,976	–	–	45,976	–	–	45,976
Margin accounts	110,598	–	–	110,598	–	(43,483)	67,115
Total	<u>156,574</u>	<u>–</u>	<u>–</u>	<u>156,574</u>	<u>–</u>	<u>(43,483)</u>	<u>113,091</u>
Financial liabilities							
Amounts due to broker	43,483	–	–	43,483	–	(43,483)	–
Total	<u>43,483</u>	<u>–</u>	<u>–</u>	<u>43,483</u>	<u>–</u>	<u>(43,483)</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

CSOP FTSE China A50 Index Daily (-1x) Inverse Product (continued)

As at 31 December 2021

	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets	Net amounts of financial assets/liabilities presented in the statement of net assets	Related amounts not set-off in the statement of net assets		Net amounts
	US\$	US\$	US\$	US\$	Financial instruments	Cash collateral received	US\$
Financial assets							
Total return swaps	230,925	–	230,925	–	–	–	230,925
Amounts due from broker	55,011	–	55,011	–	–	–	55,011
Margin accounts	1,094,264	–	1,094,264	–	(160,000)	–	934,264
Total	<u>1,380,200</u>	<u>–</u>	<u>1,380,200</u>	<u>–</u>	<u>(160,000)</u>	<u>–</u>	<u>1,220,200</u>
Financial liabilities							
Cash collateral liabilities	160,000	–	160,000	–	(160,000)	–	–
Total	<u>160,000</u>	<u>–</u>	<u>160,000</u>	<u>–</u>	<u>(160,000)</u>	<u>–</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

CSOP Gold Futures Daily (-1x) Inverse Product
As at 31 December 2022

	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets	Net amounts of financial assets/liabilities presented in the statement of net assets	Related amounts not set-off in the statement of net assets		Net amounts
	US\$	US\$	US\$	Financial instruments	Cash collateral received	US\$
	US\$	US\$	US\$	US\$	US\$	US\$
Financial assets						
Margin accounts	383,945	–	383,945	(83,830)	–	300,115
Total	<u>383,945</u>	<u>–</u>	<u>383,945</u>	<u>(83,830)</u>	<u>–</u>	<u>300,115</u>
Financial liabilities						
Future contracts	83,830	–	83,830	(83,830)	–	–
Total	<u>83,830</u>	<u>–</u>	<u>83,830</u>	<u>(83,830)</u>	<u>–</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product

As at 31 December 2022

	Gross amounts of recognised financial assets/liabilities set-off in the statement of net assets	Gross amounts of recognised financial assets/liabilities	Net amounts of financial assets/liabilities presented in the statement of net assets	Related amounts not set-off in the statement of net assets		Net amounts
	US\$	US\$	US\$	Financial instruments	Cash collateral received	US\$
	US\$	US\$	US\$	US\$	US\$	US\$
Financial assets						
Margin accounts	516,958	–	516,958	(165,760)	–	351,198
Total	<u>516,958</u>	<u>–</u>	<u>516,958</u>	<u>(165,760)</u>	<u>–</u>	<u>351,198</u>
Financial liabilities						
Future contracts	165,760	–	165,760	(165,760)	–	–
Total	<u>165,760</u>	<u>–</u>	<u>165,760</u>	<u>(165,760)</u>	<u>–</u>	<u>–</u>

CSOP LEVERAGED AND INVERSE SERIES II

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

14. BROKERAGE AND TRANSACTION FEE

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

15. SEGMENT INFORMATION

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

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

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

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

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

16. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 27 April 2023.

CSOP LEVERAGED AND INVERSE SERIES II

INVESTMENT PORTFOLIO (UNAUDITED)

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

As at 31 December 2022

				Holdings Units	Market value US\$	% of net assets
<u>Financial assets at fair value through profit or loss</u>						
<u>Investment funds</u>						
Hong Kong						
CSOP US Dollar Money Market ETF				7,000	731,680	7.98
CSOP US Dollar Money Market ETF- (Unlisted Share Class A)				852,578	891,199	9.73
					<u>1,622,879</u>	<u>17.71</u>
	Underlying assets	Counterparty	Expiration date	Contracts	Market value US\$	% of net assets
<u>Financial liabilities at fair value through profit or loss</u>						
<u>Futures contracts</u>						
The United States of America						
NASDAQ 100 E-MINI 17/03/23	NASDAQ 100 E-Mini Index	BNP PARIBAS MLA	17 March 2023	83	(1,143,284)	(12.48)
					<u>(1,143,284)</u>	<u>(12.48)</u>
Total investments, at fair value					<u>479,595</u>	<u>5.23</u>
Total investments, at cost					<u>1,595,607</u>	

CSOP LEVERAGED AND INVERSE SERIES II

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

CSOP Gold Futures Daily (2x) Leveraged Product

As at 31 December 2022

				Holdings Units	Market value US\$	% of net assets
<u>Financial assets at fair value through profit or loss</u>						
<u>Listed investment funds</u>						
Hong Kong						
CSOP US Dollar Money Market ETF				409,827	42,837,454	22.13
					<u>42,837,454</u>	<u>22.13</u>
<u>Unlisted investment funds</u>						
Singapore						
CSOP US Dollar Money Market Fund				3,557,479	3,605,149	1.86
					<u>3,605,149</u>	<u>1.86</u>
					<u>46,442,603</u>	<u>23.99</u>
<u>Futures contracts</u>						
The United States of America						
GOLD 100 OZ FUTURE 24/02/2023	Solactive Gold 1-Day Rolling Futures Index	Citigroup Global Markets Limited	24 February 2023	1,000	6,882,440	3.55
GOLD 100 OZ FUTURE 24/02/2023	Solactive Gold 1-Day Rolling Futures Index	BNP PARIBAS MLA	24 February 2023	372	1,134,600	0.59
					<u>8,017,040</u>	<u>4.14</u>
<u>Swap future contracts</u>						
The United States of America						
GOLD 100 OZ FUTURE 24/02/2023	Solactive Gold 1-Day Rolling Futures Index	Citigroup Global Markets Limited	24 February 2023	750	2,290,568	1.18
					<u>2,290,568</u>	<u>1.18</u>
					<u>10,307,608</u>	<u>5.32</u>
Total investments, at fair value					<u>56,750,211</u>	<u>29.31</u>
Total investments, at cost					<u>45,759,671</u>	

CSOP LEVERAGED AND INVERSE SERIES II

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

CSOP CSI 300 Index Daily (2x) Leveraged Product

As at 31 December 2022

					Holdings Units	Fair value RMB	% of net assets
<u>Financial assets at fair value through profit or loss</u>							
<u>Listed investment funds</u>							
Hong Kong							
CSOP RMB Money Market ETF					120,000	19,158,000	9.46
CSOP US Dollar Money Market ETF					18,000	13,066,515	6.45
						<u>32,224,515</u>	<u>15.91</u>
	Expiration date	Position	Underlying assets	Counterparty	Notional amount	Fair value RMB	% of net assets
<u>Forward contracts</u>							
Buy Renminbi/ Sell United States Dollars	31 January 2023	Long	Currency	Citibank, N.A., Hong Kong	111,483,200	517,516	0.26
						<u>517,516</u>	<u>0.26</u>
<u>Financial liabilities at fair value through profit or loss</u>							
		Position	Underlying assets	Counterparty	Contracts	Fair value RMB	% of net assets
<u>Total return swaps contracts</u>							
Total Return Swap (CICC)		Long	CSI 300 Index	CICC Financial Trading Limited	42,493	(887,379)	(0.44)
Total Return Swap (HSBC)		Long	CSI 300 Index	HSBC Hong Kong Citigroup	500	(10,795)	(0.00)
Total Return Swap (CGML)		Long	CSI 300 Index	Global Markets Limited	62,194	<u>(1,337,413)</u>	<u>(0.66)</u>
						<u>(2,235,587)</u>	<u>(1.10)</u>
Total investments, at fair value						<u>30,506,444</u>	<u>15.07</u>
Total investments, at cost						<u>30,579,742</u>	

CSOP LEVERAGED AND INVERSE SERIES II

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

CSOP CSI 300 Index Daily (-1x) Inverse Product

As at 31 December 2022

					Holdings Units	Fair value RMB	% of net assets
<u>Financial assets at fair value through profit or loss</u>							
	Expiration date	Position	Underlying assets	Counterparty	Notional amount	Fair value RMB	% of net assets
<u>Forward contracts</u>							
Buy Renminbi/ Sell United States Dollars	31 January 2023	Long	Currency	Citibank, N.A.,Hong Kong	40,412,660	187,600 187,600	0.73 0.73
<u>Total return swaps contracts</u>							
		Position	Underlying assets	Counterparty	Contracts	Fair value RMB	% of net assets
Total Return Swap (CICC)		Long	CSI 300 Index	CICC Financial Trading Limited	4,251	91,782	0.36
Total Return Swap (HSBC)		Long	CSI 300 Index	HSBC Hong Kong	500	10,795	0.04
Total Return Swap (CGML)		Long	CSI 300 Index	Citigroup Global Markets Limited	2,103	7,186 109,763	0.03 0.43
<u>Financial liabilities at fair value through profit or loss</u>							
	Expiration date	Position	Underlying assets	Counterparty	Notional amount	Fair value RMB	% of net assets
<u>Forward contracts</u>							
Buy United States Dollars/Sell Renminbi	31 January 2023	Long	Currency	Citibank, N.A.,Hong Kong	3,800,000	(93,336) (93,336)	(0.36) (0.36)
Total investments, at fair value						204,027	0.80
Total investments, at cost						—	

CSOP LEVERAGED AND INVERSE SERIES II

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

CSOP FTSE China A50 Index Daily (2x) Leveraged Product

As at 31 December 2022

				Holdings Units	Fair value US\$	% of net assets
<u>Financial assets at fair value through profit or loss</u>						
<u>Listed investment funds</u>						
Hong Kong						
CSOP Hong Kong Dollar Money Market ETF				5,000	671,673	20.81
CSOP US Dollar Money Market ETF				5,000	522,000	16.17
					<u>1,193,673</u>	<u>36.98</u>
<u>Financial liabilities at fair value through profit or loss</u>						
	Position	Underlying assets	Counterparty	Contracts	Fair value US\$	% of net assets
<u>Total return swaps contracts</u>						
Total Return Swap (CGML)	Long	FTSE China A50 Index	Citigroup Global Markets Limited	241	(7,660)	(0.24)
Total Return Swap (SocGen)	Long	FTSE China A50 Index	Societe Generale	260	(92,028)	(2.85)
					<u>(99,688)</u>	<u>(3.09)</u>
Total investments, at fair value					<u>1,093,985</u>	<u>33.89</u>
Total investments, at cost					<u>1,180,031</u>	

CSOP LEVERAGED AND INVERSE SERIES II

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

CSOP FTSE China A50 Index Daily (-1x) Inverse Product

As at 31 December 2022

				Holdings Units	Fair value US\$	% of net assets
<u>Financial assets at fair value through profit or loss</u>						
<u>Listed investment funds</u>						
Hong Kong						
CSOP Hong Kong Dollar Money Market ETF				4,000	537,338	19.42
CSOP US Dollar Money Market ETF				5,000	522,000	18.87
					<u>1,059,338</u>	<u>38.29</u>
		Underlying assets	Counterparty	Contracts	Fair value US\$	% of net assets
<u>Total return swaps contracts</u>						
Total Return Swap (CGML)	Long	FTSE China A50 Index	Citigroup Global Markets Limited	86	670	0.02
Total Return Swap (SocGen)	Long	FTSE China A50 Index	Societe Generale	128	45,306	1.64
					<u>45,976</u>	<u>1.66</u>
Total investments, at fair value					<u>1,105,314</u>	<u>39.95</u>
Total investments, at cost					<u>1,046,660</u>	

CSOP LEVERAGED AND INVERSE SERIES II

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

CSOP Gold Futures Daily (-1x) Inverse Product

As at 31 December 2022

				Holdings Units	Market value US\$	% of net assets
<u>Financial assets at fair value through profit or loss</u>						
<u>Listed investment funds</u>						
Hong Kong						
CSOP US Dollar Money Market ETF				3,000	313,577	14.03
CSOP US Dollar Money Market ETF- (Unlisted Share Class A)				117,488	122,811	5.50
					<u>436,388</u>	<u>19.53</u>
	Underlying assets	Counterparty	Expiration date	Contracts	Market value US\$	% of net assets
<u>Financial liabilities at fair value through profit or loss</u>						
<u>Futures contracts</u>						
The United States of America						
GOLD 100 OZ FUTURE 24/02/2023	Solactive Gold 1-Day Rolling Futures Index	BNP Paribas MLA	24 February 2023	(12)	(83,830)	(3.75)
					<u>(83,830)</u>	<u>(3.75)</u>
Total investments, at fair value					<u>352,558</u>	<u>15.78</u>
Total investments, at cost					<u>429,917</u>	

CSOP LEVERAGED AND INVERSE SERIES II

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product

As at 31 December 2022

				Holdings Units	Market value US\$	% of net assets
<u>Financial assets at fair value through profit or loss</u>						
<u>Listed investment funds</u>						
Hong Kong						
CSOP US Dollar Money Market ETF				401,479	419,666	19.48
					<u>419,666</u>	<u>19.48</u>
	Underlying assets	Counterparty	Expiration date	Contracts	Market value US\$	% of net assets
<u>Financial liabilities at fair value through profit or loss</u>						
<u>Futures contracts</u>						
The United States of America						
WTI CRUDE FUTURE 20/01/23	Solactive WTI 1-Day Rolling Futures Index	BNP PARIBAS MLA	20 January 2023	(27)	(165,760)	(7.69)
					<u>(165,760)</u>	<u>(7.69)</u>
Total investments, at fair value					<u>253,906</u>	<u>11.79</u>
Total investments, at cost					<u>415,000</u>	

CSOP LEVERAGED AND INVERSE SERIES II**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)****CSOP NASDAQ-100 Index Daily (2x) Leveraged Product**

For the year ended 31 December 2022

	% of net assets	
	2022	2021
<u>Financial assets at fair value through profit or loss</u>		
Listed investment funds		
Hong Kong	17.71	13.40
Futures contracts	–	2.68
<u>Financial liabilities at fair value through profit or loss</u>		
Futures contracts	(12.48)	–
Total investments and derivative financial instruments	5.23	16.08
Other net assets	94.77	83.92
Total net assets	<u>100.00</u>	<u>100.00</u>

CSOP LEVERAGED AND INVERSE SERIES II**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)****CSOP Gold Futures Daily (2x) Leveraged Product**

For the year ended 31 December 2022

	% of net assets	
	2022	2021
<u>Financial assets at fair value through profit or loss</u>		
Listed investment funds		
Hong Kong	22.13	23.01
Unlisted investment funds		
Singapore	1.86	–
Futures contracts	4.14	0.01
Swap future contracts	1.18	0.75
<u>Financial liabilities at fair value through profit or loss</u>		
Futures contracts	–	(2.84)
Total investments and derivative financial instruments	29.31	20.93
Other net assets	70.69	79.07
Total net assets	100.00	100.00

CSOP LEVERAGED AND INVERSE SERIES II**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)****CSOP CSI 300 Index Daily (2x) Leveraged Product**

For the year ended 31 December 2022

	% of net assets	
	2022	2021
<u>Financial assets at fair value through profit or loss</u>		
Listed investment funds		
Hong Kong	15.91	45.13
Forward contracts	0.26	–
Total return swaps contracts	–	2.37
<u>Financial liabilities at fair value through profit or loss</u>		
Forward contracts	–	(0.11)
Total return swaps contracts	(1.10)	–
Total investments and derivative financial instruments	15.07	47.39
Other net assets	84.93	52.61
Total net assets	<u>100.00</u>	<u>100.00</u>

CSOP LEVERAGED AND INVERSE SERIES II**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)****CSOP CSI 300 Index Daily (-1x) Inverse Product**

For the year ended 31 December 2022

	% of net assets	
	2022	2021
<u>Financial assets at fair value through profit or loss</u>		
Listed investment funds		
Hong Kong	–	45.32
Total return swaps contracts	0.43	–
Forward contracts	0.73	–
<u>Financial liabilities at fair value through profit or loss</u>		
Total return swaps contracts	–	(1.21)
Forward contracts	(0.36)	(0.10)
Total investments and derivative financial instruments	0.80	44.01
Other net assets	99.20	55.99
Total net assets	<u>100.00</u>	<u>100.00</u>

CSOP LEVERAGED AND INVERSE SERIES II**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)****CSOP FTSE China A50 Index Daily (2x) Leveraged Product**

For the year ended 31 December 2022

	% of net assets	
	2022	2021
<u>Financial assets at fair value through profit or loss</u>		
Listed investment funds		
Hong Kong	36.98	49.13
<u>Financial liabilities at fair value through profit or loss</u>		
Total return swaps contracts	(3.09)	(2.25)
Total investments and derivative financial instruments	33.89	46.88
Other net assets	66.11	53.12
Total net assets	100.00	100.00

CSOP LEVERAGED AND INVERSE SERIES II**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)****CSOP FTSE China A50 Index Daily (-1x) Inverse Product**

For the year ended 31 December 2022

	% of net assets	
	2022	2021
<u>Financial assets at fair value through profit or loss</u>		
Listed investment funds		
Hong Kong	38.29	43.08
Total return swaps contracts	1.66	1.01
Total investments and derivative financial instruments	<u>39.95</u>	<u>44.09</u>
Other net assets	60.05	55.91
Total net assets	<u>100.00</u>	<u>100.00</u>

CSOP LEVERAGED AND INVERSE SERIES II

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

CSOP Gold Futures Daily (-1x) Inverse Product

For the period from 19 October 2021 (date of commencement of operations) to 31 December 2022

	% of net assets 2022
<hr/>	
<u>Financial assets at fair value through profit or loss</u>	
Listed investment funds	
Hong Kong	19.53
<u>Financial liabilities at fair value through profit or loss</u>	
Futures contracts	(3.75)
Total investments and derivative financial instruments	<hr/> 15.78
Other net assets	84.22
Total net assets	<hr/> <hr/> 100.00

CSOP LEVERAGED AND INVERSE SERIES II

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

CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product

For the period from 30 November 2021 (date of commencement of operations) to 31 December 2022

	% of net assets 2022
<hr/>	
<u>Financial assets at fair value through profit or loss</u>	
Listed investment funds	
Hong Kong	19.48
<u>Financial liabilities at fair value through profit or loss</u>	
Futures contracts	(7.69)
Total investments and derivative financial instruments	<hr/> 11.79
Other net assets	88.21
Total net assets	<hr/> <hr/> 100.00

CSOP LEVERAGED AND INVERSE SERIES II

HOLDINGS OF COLLATERAL (UNAUDITED)

CSOP Gold Futures Daily (2x) Leveraged Product

As at 31 December 2022

Collateral provider	Nature of the collateral	Credit rating	Rating agencies	Maturity tenor	Currency denomination	% of net asset value covered by collateral	Value of the collateral
						%	US\$
Citigroup Global Markets Limited	Cash	N/A	N/A	N/A	US\$	0.79	1,520,000
							<u>1,520,000</u>

Custody/safe-keeping arrangement

Amount of collateral received/held 31 December 2022	Proportion of collateral posted by the sub-fund 31 December 2022
US\$	%

Custodians of collateral

Pooled accounts

Citibank, N.A, Hong Kong Branch	1,520,000	100.00
---------------------------------	-----------	--------

CSOP LEVERAGED AND INVERSE SERIES II

HOLDINGS OF COLLATERAL (UNAUDITED) (CONTINUED)

CSOP FTSE China A50 Index Daily (2x) Leveraged Product

As at 31 December 2022

Collateral provider	Nature of the collateral	Credit rating	Rating agencies	Maturity tenor	Currency denomination	% of net asset value covered by collateral	Value of the collateral
						%	US\$
Societe Generale	Cash	N/A	N/A	N/A	US\$	0.62	20,000
							20,000

Custody/safe-keeping arrangement

Amount of collateral received/held 31 December 2022	Proportion of collateral posted by the sub-fund 31 December 2022
US\$	%

Custodians of collateral

Pooled accounts

Citibank, N.A, Hong Kong Branch	20,000	100.00
---------------------------------	--------	--------

CSOP LEVERAGED AND INVERSE SERIES II

PERFORMANCE RECORD (UNAUDITED)

NET ASSET VALUE

	Dealing net asset value	Dealing net asset value per unit
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u>		
As at 31 December 2022	US\$9,195,141	US\$1.1465
As at 31 December 2021	US\$2,342,980	US\$2.8573
As at 31 December 2020	US\$3,086,281	US\$1.9051
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
As at 31 December 2022	US\$193,672,596	US\$0.9127
As at 31 December 2021	US\$234,232,737	US\$0.9984
As at 31 December 2020	US\$271,187,100	US\$1.1328
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
As at 31 December 2022	RMB203,327,583	RMB4.4984
As at 31 December 2021	RMB270,294,903	RMB8.1414
<u>CSOP CSI 300 Index Daily (-1x) Inverse Product</u>		
As at 31 December 2022	RMB26,521,666	RMB6.6304
As at 31 December 2021	RMB156,724,855	RMB5.5973
<u>CSOP FTSE China A50 Index Daily (2x) Leveraged Product</u>		
As at 31 December 2022	US\$3,254,388	US\$0.4786
As at 31 December 2021	US\$7,152,083	US\$0.7152
<u>CSOP FTSE China A50 Index Daily (-1x) Inverse Product</u>		
As at 31 December 2022	US\$2,793,927	US\$ 1.1641
As at 31 December 2021	US\$22,941,808	US\$1.0621
<u>CSOP Gold Futures Daily (-1x) Inverse Product</u>		
As at 31 December 2022	US\$2,266,562	US\$0.9444
<u>CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product</u>		
As at 31 December 2022	US\$2,190,938	US\$0.5477

CSOP LEVERAGED AND INVERSE SERIES II

PERFORMANCE RECORD (UNAUDITED) (CONTINUED)

HIGHEST ISSUE PRICE AND LOWEST REDEMPTION PRICE PER UNIT

	Highest issue price per unit	Lowest redemption price per unit
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2022	US\$2.9130	US\$1.0963
For the year ended 31 December 2021	US\$2.9812	US\$1.7155
For the period from 14 May 2020 (date of commencement of operations) to 31 December 2020	US\$1.9056	US\$0.9971
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2022	US\$1.2333	US\$0.7441
For the year ended 31 December 2021	US\$1.2035	US\$0.8759
For the period from 4 June 2020 (date of commencement of operations) to 31 December 2021	US\$1.3874	US\$0.9527
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2022	RMB8.1407	RMB3.8067
For the period from 24 July 2020 (date of commencement of operations) to 31 December 2021	RMB11.5661	RMB7.0000
<u>CSOP CSI 300 Index Daily (-1x) Inverse Product</u>		
For the year ended 31 December 2022	RMB7.4369	RMB5.5967
For the period from 24 July 2020 (date of commencement of operations) to 31 December 2021	RMB7.0000	RMB5.1118
<u>CSOP FTSE China A50 Index Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2022	US\$0.7151	US\$0.3611
For the period from 19 January 2021 (date of commencement of operations) to 31 December 2021	US\$1.2386	US\$0.6419
<u>CSOP FTSE China A50 Index Daily (-1x) Inverse Product</u>		
For the year ended 31 December 2022	US\$1.3629	US\$1.0471
For the period from 19 January 2021 (date of commencement of operations) to 31 December 2021	US\$1.1510	US\$0.8901
<u>CSOP Gold Futures Daily (-1x) Inverse Product</u>		
For the period from 19 October 2021 (date of commencement of operations) to 31 December 2022	US\$1.0517	US\$0.8579
<u>CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product</u>		
For the period from 30 November 2021 (date of commencement of operations) to 31 December 2022	US\$1.0071	US\$0.4333

CSOP LEVERAGED AND INVERSE SERIES II

PERFORMANCE RECORD (UNAUDITED) (CONTINUED)

COMPARISON OF THE SCHEME PERFORMANCE AND THE ACTUAL INDEX PERFORMANCE

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

	Sub-Fund performance %	Index performance %
<u>CSOP NASDAQ-100 Index Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2022	(59.23)	(32.97)
For the year ended 31 December 2021	49.99	26.63
For the period from 14 May 2020 (date of commencement of operations) to 31 December 2020	90.41	41.51
<u>CSOP Gold Futures Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2022	(8.59)	(2.73)
For the year ended 31 December 2021	(11.85)	(4.26)
For the period from 4 June 2020 (date of commencement of operations) to 31 December 2021	18.90	10.67
<u>CSOP CSI 300 Index Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2022	(44.74)	(21.63)
For the period from 24 July 2020 (date of commencement of operations) to 31 December 2021	5.35	9.65
<u>CSOP CSI 300 Index Daily (-1x) Inverse Product</u>		
For the year ended 31 December 2022	15.53	(21.63)
For the period from 24 July 2020 (date of commencement of operations) to 31 December 2021	(20.63)	9.65
<u>CSOP FTSE China A50 Index Daily (2x) Leveraged Product</u>		
For the year ended 31 December 2022	(33.31)	(17.16)
For the period from 19 January 2021 (date of commencement of operations) to 31 December 2021	(28.84)	(14.53)
<u>CSOP FTSE China A50 Index Daily (-1x) Inverse Product</u>		
For the year ended 31 December 2022	8.71	(17.16)
For the period from 19 January 2021 (date of commencement of operations) to 31 December 2021	6.05	(14.53)
<u>CSOP Gold Futures Daily (-1x) Inverse Product</u>		
For the period from 19 October 2021 (date of commencement of operations) to 31 December 2022	(6.90)	0.31
<u>CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product</u>		
For the period from 30 November 2021 (date of commencement of operations) to 31 December 2022	(46.12)	42.95

CSOP LEVERAGED AND INVERSE SERIES II

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

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

	Financial year/period ended	Gross exposure			Net exposure		
		Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
Futures Contracts	31 December 2022	200.14%	183.16%	196.29%	200.14%	183.16%	196.29%
Futures Contracts	31 December 2021	198.71%	183.65%	192.18%	198.71%	183.65%	192.18%
Futures Contracts	31 December 2020	200.67%	185.11%	196.13%	200.67%	185.11%	196.13%

CSOP Gold Futures Daily (2x) Leveraged Product

	Financial year/period ended	Gross exposure			Net exposure		
		Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
Futures Contracts and Swap futures contracts	31 December 2022	200.68%	196.53%	199.78%	200.68%	196.53%	199.78%
Futures Contracts and Swap futures contracts	31 December 2021	200.09%	199.31%	199.67%	200.09%	199.31%	199.67%
Futures Contracts	31 December 2020	199.93%	196.13%	198.94%	199.93%	196.13%	198.94%

CSOP CSI 300 Index Daily (2x) Leveraged Product

	Financial period ended	Gross exposure			Net exposure		
		Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
Total return Swap future contracts and forward contracts	31 December 2022	200.81%	199.11%	199.93%	200.81%	199.11%	199.93%
Total return Swap future contracts and forward contracts	31 December 2021	200.13%	199.18%	199.72%	200.13%	199.18%	199.72%

CSOP CSI 300 Index Daily (-1x) Inverse Product

	Financial period ended	Gross exposure			Net exposure		
		Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
Total return Swap future contracts and forward contracts	31 December 2022	-99.30%	-100.69%	-99.95%	-99.30%	-100.69%	-99.95%
Total return Swap future contracts and forward contracts	31 December 2021	-99.54%	-100.33%	-99.89%	-99.54%	-100.33%	-99.89%

CSOP FTSE China A50 Index Daily (2x) Leveraged Product

	Financial period ended	Gross exposure			Net exposure		
		Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
Total return Swap future contracts	31 December 2022	200.75%	198.79%	199.83%	200.75%	198.79%	199.83%
Total return Swap future contracts	31 December 2021	201.97%	195.32%	199.63%	201.97%	195.32%	199.63%

CSOP LEVERAGED AND INVERSE SERIES II

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED) (CONTINUED)

CSOP FTSE China A50 Index Daily (-1x) Inverse Product

	Financial period ended	Gross exposure			Net exposure		
		Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
Total return Swap future contracts	31 December 2022	-99.16%	-100.71%	-99.94%	-99.16%	-100.71%	-99.94%
Total return Swap future contracts	31 December 2021	-99.21%	-104.64%	-99.89%	-99.21%	-104.64%	-99.89%

CSOP Gold Futures Daily (-1x) Inverse Product

	Financial period ended	Gross exposure			Net exposure		
		Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
Futures Contracts	31 December 2022	-87.14%	-104.67%	-96.22%	-87.14%	-104.67%	-96.22%

CSOP WTI Crude Oil Futures Daily (-1x) Inverse Product

	Financial period ended	Gross exposure			Net exposure		
		Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
Futures Contracts	31 December 2022	-94.73%	-103.33%	-98.50%	-94.73%	-103.33%	-98.50%

CSOP LEVERAGED AND INVERSE SERIES II

MANAGEMENT AND ADMINISTRATION

Manager

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

Directors of the Manager

Chen Ding
Gaobo Zhang
Xiaosong Yang
Xiuyan Liu (resigned on 17 June 2022)
Yi Zhou
Yundong Zhu (appointed on 17 June 2022)
Zhiwei Liu
Zhongping Cai

Registrar

Computershare Hong Kong Investor Services Limited
46/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Legal Counsel to the Manager

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

Auditor

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

Administrator and Custodian

Citibank, N.A., Hong Kong Branch
50/F., Champion Tower
Three Garden Road
Central
Hong Kong

Trustee

Cititrust Limited
50/F., Champion Tower
Three Garden Road
Central
Hong Kong

Service Agent

HK Conversion Agency Services Limited
1/F, One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

Listing Agent

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong