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This document is important and requires your immediate attention. If you are in any doubt about the contents of this Announcement, you should seek professional advice. Investment involves risks which may result in significant loss as there is no guarantee on investment returns.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement misleading.



CSOP Leveraged and Inverse Series

*(a Hong Kong umbrella unit trust authorized under
Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong
(the “Trust”)*

CSOP Samsung Electronics Daily (2x) Leveraged Product

*Stock Code: 09747 (USD Counter)
Stock Code: 07747 (HKD Counter)*

CSOP Samsung Electronics Daily (-2x) Inverse Product

*Stock Code: 09347 (USD Counter)
Stock Code: 07347 (HKD Counter)*

CSOP SK Hynix Daily (2x) Leveraged Product

Stock Code: 07709 (HKD Counter)

(each a “**Product**”, collectively the “**Products**”)

ANNOUNCEMENT

Update on Investment Strategy

CSOP Asset Management Limited 南方東英資產管理有限公司 (the “**Manager**”) wishes to inform unitholders of the Products that in light of recent growth in size of the Products and market volatility, and to allow greater flexibility for each of the Products to seek exposure to the respective underlying stock (being Samsung Electronics Co Ltd (KRX: 005930) and SK hynix Inc. (KRX: 000660)) (the “**Underlying Stocks**”), with effect from 12 March 2026 (the “**Effective Date**”), in addition to swaps, the Products may also invest up to 25% of its net asset value (the “**NAV**”) (as option premium) in options as an additional means to obtain the leveraged exposure to the respective Underlying Stocks (this percentage may be

increased under exceptional circumstances or in extreme market turbulence, taking into account the overall fee level of the Products in the best interests of investors). For the avoidance of doubt, **the Products will prioritise the use of swaps and will continue to primarily use swaps for exposure to the Underlying Stocks, and use options as an additional means for flexibility.**

The Products are not intended for holding longer than one day as their performance over a longer period may deviate from and be uncorrelated to the leveraged / inverse performance of their Underlying Stock over the period. Investors should exercise caution in dealing with the units of the Products. Unless otherwise defined, all capitalised terms shall have the same meaning as that in the Prospectus of the Products.

Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement to their clients holding Units in the Products, and inform them of the contents of this Announcement as soon as possible.

Update on Investment Strategy

Currently, each of the Products seeks to achieve its investment objective by using a swap-based synthetic replication strategy. Each of the Products will enter into more than one partially-funded swaps (which are over-the-counter financial derivative instruments entered into with more than one Swap Counterparties) whereby each of the Products 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 segregated accounts and will only be transferred to the Swap Counterparties when each of the Products defaults and in return the Swap Counterparties will provide each of the Products with an exposure to the Underlying Stock (net of transaction costs).

In light of recent growth in size of the Products and market volatility, and to allow greater flexibility for each of the Products to seek exposure to the respective Underlying Stock, with effect from the Effective Date, in addition to swaps, the Products may also invest up to 25% of its net asset value (the "NAV")(as option premium) in options as an additional means to obtain the leveraged exposure to the respective Underlying Stocks (this percentage may be increased under exceptional circumstances or in extreme market turbulence, taking into account the overall fee level of the Products in the best interests of investors). **The Products will prioritise the use of swaps and will continue to primarily use swaps for exposure to the Underlying Stocks, and use options as an additional means for flexibility.**

Impact to the Products

The use of options as an investment instrument may lead to an increase in the cost of portfolio construction. The current expected swap fees for each of the Products as disclosed in the Prospectus and key facts statements and the expected costs from swaps and options with effect from the Effective Date are set out in the table below. In extreme market conditions and exceptional circumstances, the costs of portfolio construction may be increase significantly.

Products	Current Expected Swap Fees Range as disclosed in the Prospectus and key facts statements		Expected Costs from Swaps and Options with effect from the Effective Date	
	% of Swap Notional Amount	% of Product's NAV	% of Swap and Option Notional Amount	% of Product's NAV
CSOP Samsung Electronics Daily (2x) Leveraged Product	2.00% to 5.00%	4.00% to 10.00%	2.75% to 11.00%	5.50% to 22.00%
CSOP Samsung Electronics Daily (-2x) Inverse Product	1.00% to 4.00%	2.00% to 8.00%	2.00% to 6.75%	4.00% to 13.50%
CSOP SK Hynix Daily (2x) Leveraged Product	2.00% to 5.00%	4.00% to 10.00%	5.75% to 13.00%	11.50% to 26.00%

The current estimated annual average daily tracking differences as disclosed in the key facts statements are -0.06% for the CSOP Samsung Electronics Daily (2x) Leveraged Product and the CSOP SK Hynix Daily (2x) Leveraged Product, and -0.07% for the CSOP Samsung Electronics Daily (-2x) Inverse Product. As a result of the expected increase in portfolio construction costs following the use of options, the Manager expects the estimated annual average daily tracking difference of each of the Products may be increased to -0.15%. Investors should refer to the Manager's website at <http://www.csopasset.com> (this website has not been reviewed by the SFC) for more up to date information on actual tracking difference.

Despite this, the Manager believes the use of options as an additional means to obtain exposure to the Underlying Stocks will enhance efficient portfolio management of the Products and enable the Products to better achieve their investment objectives, which will overall be in the best interests of the investors of the Products.

There will not be any material changes or increase in the overall risk profile of the Products following the changes, and the management fee of the Products will remain unchanged.

Under extreme market conditions or exceptional circumstances (e.g. Swap and Option Counterparties reaching their capacity limit), the creations of units of the Products in primary market may be suspended. It may lead to substantial trading premium and divergence between the trading price and NAV. The investment exposure of the Products could also deviate from the target exposure due to the inability of the Products conducting swap and option transactions. The Products may be subject to rebalancing risk and high tracking difference. Investors should refer to the risk factors relating to the Products below.

Risk Factors relating to the Products

As the result of the use of options, each of the Products will be subject to the risks associated with investing in options, as summarised below:

Options contracts risks

- Investment in options contracts involves specific risks such as high volatility, leverage, rollover and margin risks. There may be imperfect correlation between the value of the underlying reference assets and the options contracts, which may prevent the Product from achieving its investment objective.
- Risks associated with options include counterparty/credit risk, liquidity risk (given some options may not have a liquid secondary market), valuation risk and over-the-counter transaction risk. The costs associated with portfolio construction may rise significantly, which could adversely impact the Product.
- The Option Counterparties may also be subject to a capacity limit to conduct the Option transactions to provide the required exposure to the Underlying Stock for the Product. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Option Counterparty reaches its capacity limit or if the NAV of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Option transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the NAV per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Tracking difference risk

- The Product will be subject to a higher tracking difference as the cost of portfolio construction is higher following the use of options. In extreme market conditions and exceptional circumstances, the cost of portfolio construction may increase significantly and may have an adverse impact on the NAV and tracking difference of the Product.

In addition, the Products are single stock leveraged and inverse products, concentrated in the single Underlying Stock, and continue to invest in swaps. Therefore, the Products continue to be subject to risks associated with swap capacity limit risk, underlying stock and extreme price volatility, rebalancing risk, tracking error and correlation risk, long term holding risks. Investors should exercise caution in dealing with the units of the Products and pay special attention to risk factors as mentioned below. Investors should also refer to the risk factors disclosed in the Prospectus and product key facts statements of the Products.

Synthetic replication and counterparty risks

- *Capacity limit risk:* The Swap Counterparties may also be subject to a capacity limit representing the commitment of the Swap Counterparty to conduct the Swap transactions to provide the required exposure to the Underlying Stock for the Product. Accordingly, the Product's exposure to the Underlying Stock may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the Product, if any Swap Counterparty reaches its capacity limit or if the NAV of the Product grows significantly this may prevent creations of Units due to the inability of the Product to conduct Swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the NAV per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the Product.

Extreme price volatility risk

- Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities and the leverage effect. Furthermore, the Product is concentrated in a single Underlying Stock. Given its non-diversified and leveraged nature, the Product is subject to extreme price volatility and may become non-viable within a short period. You may lose a significant portion or all of your investment within one day.
- Under exceptional circumstances where the Product becomes non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include liquidating swap positions and suspending trading of the Product, in order to safeguard the interests of the product and its unitholders to prevent potential negative fund value and protect the interests of the investors. Such circumstances may arise if there are extreme intra-day price movements and the Manager will issue a notice to inform investors. Please note that the Manager may re-enter the swap contracts at the market closes on the same day depending on market condition.

Risk of rebalancing activities

- There is no assurance that the Product can rebalance its portfolio on a Daily basis to achieve its investment objective. Market disruption, regulatory restrictions, counterparty capacity limits or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

Tracking error and correlation risks

- The Product may be subject to tracking error risk, which is the risk that its performance may not track that of the Daily leveraged/inverse performance of the Underlying Stock exactly. This tracking error may result from the investment strategy used, high portfolio turnover, liquidity of the market and fees and expenses and the correlation between the performance of the Product and the two times (2x) / two times inverse (-2x) Daily performance of the Underlying Stock may be reduced. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication of the leveraged/inverse performance of the Underlying Stock at any time, including on an intra-day basis.

Long term holding risks

- **The Product is not intended for holding longer than one day** as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged/inverse performance of the Underlying Stock over that same period (e.g. the loss may be more than twice the fall/increase in the price of the Underlying Stock).
- The effect of compounding becomes more pronounced on the Product's performance as the price of the Underlying Stock experiences volatility. With higher volatility of the price of the Underlying Stock, the deviation of the Product's performance from the leveraged/inverse performance of the Underlying Stock will increase, and the performance of the Product will generally be adversely affected.
- As a result of Daily rebalancing, the volatility of the price of the Underlying Stock and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Underlying Stock's performance increases or is flat.

General

The above changes and consequential amendments will be reflected in the revised Prospectus and product key facts statements of the Products, which will be published on the Manager's website at <http://www.csopasset.com> (this website has not been reviewed by the SFC) and the HKEX's website at <http://www.hkexnews.hk> on or around the Effective Date.

If you have any queries or require further information in relation to any aspect of this Announcement, please contact the Manager at 2801-2803, Two Exchange Square, 8 Connaught Place, Central, Hong Kong or its Customer Service Hotline at (852) 3406 5688.

By Order of the Board
CSOP Asset Management Limited
Chief Executive Officer
Ding Chen

9 March 2026

As of the date of this Announcement, the board of directors of the Manager comprises 7 Directors namely, Mr. Zhou Yi, Ms. Chen Li, Mr. Yang Xiaosong, Mr. Cai Zhongping, Ms. Ding Chen, Mr. Wang Qin and Mr. Zhang Huachen.