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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 ASSET MANAGEMENT 南方東英

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 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 unpredictable market volatility, in order to ensure the sustainability and stability of the operation of the Products, and to allow greater flexibility for the Products to seek exposure to their corresponding underlying stock (being Samsung Electronics Co Ltd (KRX: 005930) and SK hynix Inc. (KRX: 000660)) (the "**Underlying Stocks**"), with effect from 10 June 2026 (the "**Effective Date**"), there will be update on investment strategy for the Products, such that no more than 10% of the net asset value (the "**NAV**") of each Product may be invested in the Underlying Stock of the respective Product. This may involve borrowing of up to 10% of each Product's NAV.

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 performance of their corresponding Underlying Stock over the period.

Investors should exercise caution in dealing with the units 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.

Unless otherwise defined, all capitalised terms shall have the same meaning as that in the Prospectus of the Products.

Update on Investment Strategy

As disclosed in the Prospectus and key facts statements of the Products, each Product will prioritise the use of swaps and will continue to primarily use swaps for exposure to the corresponding Underlying Stock, and use options as an additional means for flexibility. In light of recent growth in size of the Products and unpredictable market volatility, in order to ensure the sustainability and stability of the operation of the Products, and to allow greater flexibility for the Products to seek exposure to their corresponding Underlying Stock, with effect from the Effective Date, for each of the Products, in cases where the swap or option capacity is tight or has already reached the capacity limit that the Product can utilise, no more than 10% of the NAV of each Product may be invested in the Underlying Stock of the Product. This may involve borrowing of up to 10% of the Product's NAV. For the avoidance of doubt, as currently disclosed in the Prospectus of the Products, borrowing against the assets of a Product is allowed up to a maximum of 10% of its total NAV.

In addition, in respect to the CSOP SK Hynix Daily (2x) Leveraged Product, currently it is disclosed in the Prospectus and key facts statement of the Product that not less than 20% of the NAV will be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds (collectively, "Cash Equivalents") in accordance with the requirements of the Code on Unit Trusts and Mutual Funds ("Code"). From the Effective Date, the minimum investment level in Cash Equivalents of the CSOP SK Hynix Daily (2x) Leveraged Product will be changed to **not less than 10% of the Product's NAV**.

Impact to the Products

The costs associated with investing up to 10% of the NAV in the Underlying Stocks and borrowing up to 10% of the NAV are expected to be immaterial.

The Manager does not expect a substantive change to the tracking difference figures of the Products as a result of the update on investment strategy.

The Manager believes that the update on investment strategy does not amount to material changes to the Products. The update on investment strategy will not materially prejudice the existing investors' rights or interests and there will not be any material changes or increase in the overall risk profile of the Products following the update on investment strategy. The management fee of the Products will remain unchanged.

The Manager considers the update on investment strategy 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.

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 a result of borrowing up to 10% of the Products' NAV, the Products will be subject to the borrowing risks, as summarised below:

Borrowing Risks

The Trustee, on the written instructions of the Manager, may borrow for the account of a Product (up to 10% of the NAV of each Product unless otherwise specified in the Appendix) for various reasons, such as facilitating redemptions or to acquire investments for the account of the relevant Product. Borrowing involves an increased degree of financial risk and may increase the exposure of a Product to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that a Product will be able to borrow on favourable terms, or that the relevant Product's indebtedness will be accessible or be able to be refinanced by the relevant Product at any time.

Investors should also note that investment in the Products is subject to relevant risks disclosed in the Prospectus and key facts statements of the Products, including the following risks:

Risk associated with capacity limits:

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.

Options Contracts Risks

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.

Other risk factors, including but not limited to:

Single Stock Concentration Risk

The Product is subject to concentration risk as a result of tracking the leveraged performance of the single Underlying Stock. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments due to the non-diversified nature of investing in the single Underlying Stock. The value of the Product may be more susceptible to adverse conditions in respect of such particular Underlying Stock.

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 is at significant risk of becoming non-viable, the Manager may use its discretion to deviate from the investment strategy or take defensive measures, which may include (i) liquidating swap positions and re-entering the swap contracts at the market close on the same Business Day depending on market condition; (ii) activating a stop loss mechanism for swap positions; and (iii) 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 price movements of the Underlying Stock and the Manager will issue a notice to inform investors.

Regarding the stop loss mechanism, the Manager has pre-agreed with each Swap Counterparty in the contractual terms set out in the agreements a mechanism that aims to limit the downside of the relevant swap positions so that such positions retain at least 10% of the Product's NAV of the last Business Day (before any fees and costs, including but not limited to swap fee and unwinding fee) for each dealing day should the Underlying Stock experience extreme price movements. For the avoidance of doubt, this mechanism applies solely at the level of the relevant swap positions and does not constitute, nor should it be construed as, a floor or guarantee on the Product's overall portfolio or its NAV. If that eventuates, the indicative NAV of the Product will reflect the impact of the stop loss mechanism in respect of the swap positions, among other factors. However, the NAV or indicative NAV of the Product may not necessarily be maintained at 10% of the Product's NAV of the last Business Day, including as a result of fees, costs, expenses, other investments of the Product, market movements or other circumstances.

The stop loss mechanism may result in a greater tracking difference and a higher risk that the Product is traded at a premium or discount in the secondary market. Investors should refer to the indicative NAV and NAV of the last Business Day of the Product on the Product's website and should take caution to ascertain whether the secondary trading prices are reasonable.

Please note that there is no guarantee that (i) the stop loss mechanism will fully and effectively achieve its desired result; and (ii) the secondary trading prices of the Product will reflect such swap stop loss mechanism.

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 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) 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 performance of the Underlying Stock at any time, including on an intra-day basis.

The Product will be subject to a higher tracking difference as the cost of portfolio construction is higher with 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.

Trading risks

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Units may trade at a substantial premium or discount to the NAV.

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 performance of the Underlying Stock over that same period (e.g. the loss may be more than twice the fall 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 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.

Unitholders are urged to exercise caution when dealing the Products.

General

The update on investment strategy 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 www.csopasset.com (this website has not been reviewed by the SFC) and the HKEX's website at 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 June 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.