KPMG

Pando Virtual Assets ETF Series OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

Pando Bitcoin ETF (Stock code: 2818)
Pando Ethereum ETF (Stock code: 3085)

For the period ended 31 March 2026

CONTENTS

Management and administration

Manager

Pando Finance Limited
Suite 1408, 14/F, Two Exchange Square
8 Connaught Place, Central
Hong Kong

Directors of the Company

Li Xiaolai
Ren Junfei

Directors of the Manager

Li Xiaolai
Ren Junfei
Yu Wenzhuo

Custodian, Administrator and Registrar

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

Virtual Asset Sub-Custodian

OSL Digital Securities Limited, acting via its associate entity OSL Custody Service Limited
39/F Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Virtual Asset Trading Platform

OSL Exchange (operated by OSL Digital Securities Limited)
39/F Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Legal Adviser

Deacons
5th Floor, Floor, Alexandra House
18 Chater Road, Central
Hong Kong

Auditor

KPMG
8th Floor, Prince's Building,
10 Chater Road, Central,
Hong Kong

Listing Agent

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

Service Agent or Conversion Agent

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

Report of the Manager to the shareholders

Pando Bitcoin ETF

a sub-fund of Pando Virtual Assets ETF Series OFC

Introduction

Pando Bitcoin ETF (the "Sub-Fund") is a sub-fund of Pando Virtual Assets ETF Series OFC (the "Company"), which is a public umbrella open-ended fund company established under Hong Kong law with variable capital with limited liability and segregated liability between sub-funds. The Sub-Fund is a passively managed exchange traded fund authorised under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds. The shares of the Sub-Fund (the "Shares") are listed on The Stock Exchange of Hong Kong Limited (the "SEHK") under the stock code 2818. These Shares were traded on the SEHK on 18 July 2025.

The Sub-Fund's investment objective is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the price of bitcoin as reflected by the CME CF Bitcoin Reference Rate - Asia Pacific Variant (the "Index") so as to provide exposure to the value of bitcoin. In seeking to achieve the Sub-Fund's investment objective, the Sub-Fund is passively managed by directly investing up to 100% of its Net Asset Value in bitcoin through SFC-licensed virtual asset trading platform(s). Transaction and acquisition of bitcoin by the Sub-Fund will be conducted through SFC-licensed virtual asset trading platform(s). The Sub-Fund will not acquire other types of investments except that the Sub-Fund may retain a small amount of cash (up to a maximum of 3% of its Net Asset Value) to pay ongoing fees and expenses and meet redemption requests. All of the Sub-Fund's bitcoin will be held by the Sub-Custodian.

Performance of the Sub-Fund

The Sub-Fund is a passively managed exchange traded fund. There is no assurance that the Sub-Fund will achieve its investment objective.

The returns are calculated on a NAV-to-NAV basis and in USD. As the Sub-Fund is newly established, there is insufficient data to provide a meaningful past performance indicator for investors.

Performance of the Sub-Fund

For the Statement of Assets and Liabilities as at 31 March 2026, net asset value per unit of the Sub-Fund was USD 0.5520 (HKD 4.3270), and there were 48.0 million units outstanding. The net asset value was USD 26,496,500 (HKD 207,698,115).

Report of the Manager to the shareholders (continued)

Pando Ethereum ETF

a sub-fund of Pando Virtual Assets ETF Series OFC

Introduction

Pando Ethereum ETF (the "Sub-Fund") is a sub-fund of Pando Virtual Assets ETF Series OFC (the "Company"), which is a public umbrella open-ended fund company established under Hong Kong law with variable capital with limited liability and segregated liability between sub-funds. The Sub-Fund is a passively managed exchange traded fund authorised under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds. The shares of the Sub-Fund (the "Shares") are listed on The Stock Exchange of Hong Kong Limited (the "SEHK") under the stock code 3085. These Shares were traded on the SEHK on 3 December 2025.

The Sub-Fund's investment objective is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the price of ether as reflected by the CME CF Ether-Dollar Reference Rate - Asia Pacific Variant (the "Index") so as to provide exposure to the value of ether. In seeking to achieve the Sub-Fund's investment objective, the Sub-Fund is passively managed by directly investing up to 100% of its Net Asset Value in ether through SFC-licensed virtual asset trading platform(s). Transaction and acquisition of ether by the Sub-Fund will be conducted through SFC-licensed virtual asset trading platform(s). The Sub-Fund will not stake any of its ether holdings. The Sub-Fund will not acquire other types of investments except that the Sub-Fund may retain a small amount of cash (up to a maximum of 3% of its Net Asset Value) to pay ongoing fees and expenses and meet redemption requests. All of the Sub-Fund's ether will be held by the Sub-Custodian.

Performance of the Sub-Fund

The Sub-Fund is a passively managed exchange traded fund. There is no assurance that the Sub-Fund will achieve its investment objective.

The returns are calculated on a NAV-to-NAV basis and in USD. As the Sub-Fund is newly established, there is insufficient data to provide a meaningful past performance indicator for investors.

Performance of the Sub-Fund

For the Statement of Assets and Liabilities as at 31 March 2026, net asset value per unit of the Sub-Fund was USD 0.7162 (HKD 5.6142), and there were 7.9 million units outstanding. The net asset value was USD 5,658,114 (HKD 44,352,258)

Pando Finance Limited
31 JUL 2026

Report of the Custodian to the shareholders

We hereby confirm that, in our opinion, the Manager of the Company and its Sub-funds has in all material respects managed the Company and its Sub-funds in accordance with the provisions of the Instrument of Incorporation, as amended and restated, during the period ended 31 March 2026.

For and on behalf of in its capacity as Custodian of Pando Virtual Assets ETF Series OFC

31 JUL 2026

Independent auditor's report to the shareholders of Pando Virtual Assets ETF Series OFC

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Pando Virtual Assets ETF Series OFC ("the Company") and Pando Bitcoin ETF and Pando Ethereum ETF (each a separate sub-fund of the Company and referred to as "Sub-Funds") set out on pages 10 to 37, which comprise the statement of assets and liabilities as at 31 March 2026, and the statement of comprehensive income, the statement of changes in net assets attributable to shareholders and the statement of cash flows for the period then ended, and notes, comprising material accounting policies information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company and its Sub-funds as at 31 March 2026 and of their financial performance and cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). 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 Company and its Sub-funds in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), as applicable to audits of financial statements of public interest entities. We also have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period. The matter was 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 the matter.

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Independent auditor's report to the shareholders of Pando Virtual Assets ETF Series OFC (continued)

Report on the Audit of the Financial Statements (continued)

Key audit matter (continued)

Accounting for virtual asset transactions and balances

Refer to notes 6 and 12 to the financial statements and the accounting policies in note 2(e).

The Key Audit Matter	How the matter was addressed in our audit
The Sub-Funds acquire and hold virtual assets directly to provide investment results. Pando Bitcoin ETF held US$26,671,319 in Bitcoins, representing 100.66% of the net asset value of the Sub-Fund. Pando Ethereum ETF held US$5,671,099 in Ethers, representing 100.23% of the net asset value of the Sub-Fund. **Accounting Policy** We identified accounting of virtual asset transactions as a key audit matter because IFRS Accounting Standards do not specifically address accounting for virtual assets. Accordingly, judgement is applied in determining appropriate accounting policies based on the existing accounting framework and the facts and circumstances of the Sub-Funds' investment strategies. **Existence and Ownership** We identified existence and ownership with respect to the virtual assets as a key audit matter because of the anonymity of virtual assets transaction in blockchain. **Valuation** We identified the valuation of virtual asset as a key audit matter because of the significance in the context of the Sub-Funds' financial statements and because the value of the virtual asset at the period-end date is a key performance indicator of the Sub-Funds.	Our audit procedures on the Sub-Funds' virtual asset transactions and balances mainly included the following: • With the involvement of our technical accounting specialists, evaluating the accounting policies adopted by the Sub-Funds for its virtual assets based on their investment strategies and activities; • Obtaining an understanding of the control objectives and related controls relevant to our audit of the Sub-Funds by reading the service organisation internal control reports provided by the Custodian and Virtual Assets Sub-Custodian setting out the controls in place, and the independent service auditors' assurance report over the design and operating effectiveness of those controls; • evaluating the testing procedures undertaken by the service auditors and the results of tests undertaken and opinions formed by the independent service auditors on the design and operating effectiveness of the controls, to the extent relevant to our audit of the Sub-Funds; • evaluating the competence, capability and objectivity of the independent service auditors; • obtaining independent confirmation from the Virtual Assets Sub-Custodian of virtual assets held at 31 March 2026, and agreeing the Sub-Funds' holdings of virtual assets to those confirmations; and • with the assistance of our valuation specialists, performing independent valuations of virtual assets by comparing prices from independent sources to the Sub-Funds' valuations.

Independent auditor's report to the shareholders of Pando Virtual Assets ETF Series OFC (continued)

Report on the Audit of the Financial Statements (continued)

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

The Manager and the Directors of the Company and its Sub-Funds are responsible for the other information. The other information comprises all 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 Manager and Directors for the financial statements

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

In addition, the Manager and the Directors of the Company and its Sub-Funds are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the instrument of incorporation of the Company as amended and restated, Part 7 of the Securities and Futures (Open-ended Fund Companies) Rules ("OFC Rules"), Appendix E of the Code on Unit Trusts and Mutual Funds ("UT Code") and Chapter 9 of the Code on Open-Ended Fund Companies ("OFC Code") issued by the Hong Kong Securities and Futures Commission.

Independent auditor's report to the shareholders of Pando Virtual Assets ETF Series OFC (continued)

Report on the Audit of the Financial Statements (continued)

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

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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Company and its Sub-Funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the instrument of incorporation of the Company and its Sub-Funds, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

As part of an audit in accordance with HKSAs, 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 Company's and its 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 Directors.

- Conclude on the appropriateness of the Manager's and the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its Sub-Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its sub-funds to cease to continue as a going concern.

Independent auditor's report to the shareholders of Pando Virtual Assets ETF Series OFC (continued)

Report on the Audit of the Financial Statements (continued)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager and the Directors of the Company and its Sub-Funds 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.

Report on matters under the relevant disclosure provisions of the instrument of incorporation of the Company and the Sub-Funds, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the instrument of incorporation of the Company and the Sub-Funds, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Yiu Tsz Yeung, Arion (practising certificate number: P06098).

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 JUL 2026

Statement of assets and liabilities as at 31 March 2026

(Expressed in United States dollars)

	Note	*Pando Virtual Assets ETF Series OFC* [(1)] *2026* USD	*Pando Bitcoin ETF* [(2)] *2026* USD	*Pando Ethereum ETF* [(3)] *2026* USD
Assets				
Virtual Assets	6	-	26,671,319	5,671,099
Amounts receivable		-	973	55,257
Cash and cash equivalents	7(e)	-	110,235	19,253
Total assets		-	26,782,527	5,745,609
Liabilities				
Management fees payable	7(a)	-	23,692	2,957
Custodian and administrator fee payable	7(b)	-	12,290	6,653
Other accounts payables		-	250,045	77,885
Total liabilities (excluding net assets attributable to shareholders)		-	286,027	87,495
Equity				
Net assets attributable to shareholders		-	26,496,500	5,658,114

Approved and authorised for issue by the Directors on 31 JUL 2026

Director

李益来

Director

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

Statement of comprehensive income for the period ended 31 March 2026

(Expressed in United States dollars)

	Note	*Pando Virtual Assets ETF Series OFC [1]* *2026* USD	*Pando Bitcoin ETF [2]* *2026* USD	*Pando Ethereum ETF [3]* *2026* USD
(Losses)/income				
Net losses on virtual assets	4	-	(18,420,932)	(2,111,848)
Interest income	7(e)	-	14	-
Other income/(loss)		-	8,699	(11,202)
Net foreign exchange gains		-	101	18
Total losses		-	(18,412,118)	(2,123,032)
Expenses				
Management fees	7(a)	-	(230,450)	(13,939)
Custodian and Administrator fee	7(b)	-	(111,703)	(26,705)
Registrar fee	7(c)	-	(4,233)	(1,968)
Auditor's remuneration		-	(21,000)	(23,000)
Transaction costs	7(d)		(135)	(60)
Other operating expenses		-	(267,501)	(69,322)
Total operating expenses		-	(635,022)	(134,994)
Losses from operations		-	(19,047,140)	(2,258,026)
Taxation (including withholding tax)	5	-	-	-
Losses and total comprehensive income for the period		-	(19,047,140)	(2,258,026)

[1] Pando Virtual Assets ETF Series OFC was incorporated on 3 July 2025.

[2] The date of establishment for Pando Bitcoin ETF was 17 July 2025. This Sub-Fund was authorized by the SFC on 11 July 2025 and commenced operation on 18 July 2025.

[3] The date of establishment for Pando Ethereum ETF was 2 December 2025. This Sub-Fund was authorized by the SFC on 21 November 2025 and commenced operation on 3 December 2025.

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

Statement of changes in net assets attributable to shareholders for the period ended 31 March 2026

(Expressed in United States dollars)

	Note	*Pando Virtual Assets ETF Series OFC* [1] *2026* USD	*Pando Bitcoin ETF* [2] *2026* USD	*Pando Ethereum ETF* [3] *2026* USD
Balance at the beginning of the period		-	-	-
Losses and total comprehensive income for the period		-	(19,047,140)	(2,258,026)
Subscriptions and redemptions by shareholders				
Subscriptions of shares during the period				
- In-kind		-	23,744,420	7,600,000
- Cash component		-	21,799,220	316,140
Net subscriptions by shareholders		-	45,543,640	7,916,140
Balance at the end of the period		-	26,496,500	5,658,114

	Note	Shares	Shares	Shares
Balance at the beginning of the period		-	-	-
Number of shares subscribed during the period				
- In-kind		-	26,200,000	7,600,000
- Cash component		-	21,800,000	300,000
Number of shares at the end of the period	8(a)	-	48,000,000	7,900,000
Net asset value per share	8(b)	-	US$ 0.5520	US$ 0.7162

[1] Pando Virtual Assets ETF Series OFC was incorporated on 3 July 2025.

[2] The date of establishment for Pando Bitcoin ETF was 17 July 2025. This Sub-Fund was authorized by the SFC on 11 July 2025 and commenced operation on 18 July 2025.

[3] The date of establishment for Pando Ethereum ETF was 2 December 2025. This Sub-Fund was authorized by the SFC on 21 November 2025 and commenced operation on 3 December 2025.

Statement of cash flows
for the period ended 31 March 2026
(Expressed in United States dollars)

	Note	*Pando Bitcoin ETF [1]* *2026* USD	*Pando Ethereum ETF [2]* *2026* USD
Operating activities			
Losses and total comprehensive income for the period		(19,047,140)	(2,258,026)
Adjustments for:			
Interest income		(14)	-
Net losses on virtual assets	4	18,420,932	2,111,848
Operating cash flow before changes in working capital		(626,222)	(146,178)
Payments for purchase of investments		(21,819,908)	(249,698)
Proceeds from sale of investments		472,077	66,751
Increase in amounts receivable		(973)	(55,257)
Increase in management fees payable		23,692	2,957
Increase in custodian and administrator fee payable		13,153	7,516
Increase in other accounts payables		249,182	77,022
Net cash used in operations		(21,688,999)	(296,887)
Interest received		14	-
Net cash used in operating activities		(21,688,985)	(296,887)

[1] The date of establishment for Pando Bitcoin ETF was 17 July 2025. This Sub-Fund was authorized by the SFC on 11 July 2025 and commenced operation on 18 July 2025.

[2] The date of establishment for Pando Ethereum ETF was 2 December 2025. This Sub-Fund was authorized by the SFC on 21 November 2025 and commenced operation on 3 December 2025.

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

Statement of cash flows for the period 31 March 2026 (continued)

(Expressed in United States dollars)

	Note	*Pando Bitcoin ETF* [(1)] USD	*Pando Ethereum ETF* [(2)] USD
Financing activities			
Proceeds from subscription of shares		21,799,220	316,140
Net cash generated from financing activities		21,799,220	316,140
Net increase in cash and cash equivalents		110,235	19,253
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period	7(e)	110,235	19,253

(1) The date of establishment for Pando Bitcoin ETF was 17 July 2025. This Sub-Fund was authorized by the SFC on 11 July 2025 and commenced operation on 18 July 2025.

(2) The date of establishment for Pando Ethereum ETF was 2 December 2025. This Sub-Fund was authorized by the SFC on 21 November 2025 and commenced operation on 3 December 2025.

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

Notes to the financial statements

(Expressed in United States dollar unless otherwise indicated)

1 General information

Pando Virtual Assets ETF Series OFC (the "Company") is a public umbrella open-ended fund company with variable capital and limited liability regulated under the Securities and Futures Ordinance of Hong Kong("SFO"). The Company is established with an umbrella structure and the sub-funds of the Company have segregated liability. The Company was incorporated pursuant to an Instrument of Incorporation filed to the Companies Registry of Hong Kong dated 25 June 2025 (the "Instrument"), with registration number 78399611.

There were two sub-funds (collectively the "Sub-Funds") created under the Company as at 31 March 2026. These Sub-Funds were launched on the date set out below:

Name of Sub-Funds	***Launch and listing date***
Pando Bitcoin ETF	18 July 2025
Pando Ethereum ETF	3 December 2025

The investment objective of Pando Bitcoin ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the price of bitcoin as reflected by the CME CF Bitcoin Reference Rate - Asia Pacific Variant (the "Index") so as to provide exposure to the value of bitcoin.

The investment objective of Pando Ethereum ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the price of ether as reflected by the CME CF Ether-Dollar Reference Rate - Asia Pacific Variant (the "Index") so as to provide exposure to the value of ether.

The Sub-Funds are governed by the relevant provisions of the Code on Open Ended Fund Companies (the "OFC Code") issued by the SFC.

Pando Finance Limited (the "Manager") is licensed to carry on Types 1 (Dealing in Securities), 4 (Advising on Securities), and 9 (Asset Management) Regulated Activities under Part V of the SFO.

The Company has appointed the Manager to manage the assets of the Company and the Sub-Funds (i.e. to carry out investment management functions), pursuant to the Investment Management Agreement.

1 General information (continued)

The Company has appointed BOCI-Prudential Trustee Limited (the "Custodian") as the Custodian of the Sub-Funds. BOCI-Prudential Trustee Limited is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance (Cap. 29) of Hong Kong. The Custodian is a joint venture founded by BOC Group Trustee Company Limited and Prudential Corporation Holdings Limited.

The Custodian shall act as custodian of the assets of the Sub-Funds in respect of which it has been so appointed, pursuant to the Custody Agreement. The Custodian is responsible for the safekeeping of the assets of the Sub-Funds, and such assets will be dealt with pursuant to the terms in the Custody Agreement. The Custodian must take reasonable care, skill and diligence to ensure the safekeeping of the relevant Sub-Funds' property entrusted to it.

The Custodian has appointed OSL Digital Securities Limited ("ODSL" or the "Virtual Asset Sub-Custodian"), acting via ODSL's associated entity BC Business Management Services (HK) Limited, as the Virtual Asset Sub-Custodian of the Sub-Funds. ODSL is a company incorporated in Hong Kong and licensed with the SFC to carry on Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities. ODSL is a wholly owned subsidiary of OSL Group Limited (formerly known as BC Technology Group Limited).

2 Material accounting policies

(a) *Statement of compliance*

The financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB"), and the relevant disclosure provisions of the OFC Code and the UT Code issued by the SFC.

Material accounting policies adopted by the financial statements are disclosed below.

(b) *Basis of preparation of the financial statements*

The financial statements of the Company and Sub-Funds are presented in United States dollars ("US$") and rounded to the nearest dollar, which is the Company's and Sub-Funds' functional and presentation currency.

The measurement basis used in the preparation of these financial statements is the historical cost basis except that virtual assets are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with IFRS Accounting Standards requires Directors and the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. 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.

3 Material accounting policies (continued)

(b) Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year if the revision affects both current and future year.

(c) Income and expenses

Interest income is recognised as it accrues using effective interest method. Interest on bank deposits is separately disclosed on the face of the profit or loss. All other income and expenses are accounted for on an accrual basis.

(d) Virtual assets

Virtual assets are held primarily for the purpose of investing in the ordinary course of the Sub-Funds' business.

(i) Classification and measurement

Since the investment objectives and business models of the Sub-Funds result in them making frequent buy and sell trades in virtual assets, and the performances of the Sub-Funds are measured on a fair value basis, and generating a profit from the fluctuations of price, the Sub-Funds apply the guidance in IAS 2, Inventories, for commodity broker-traders and measures virtual assets at fair value less costs to resell. The Sub-Funds consider there are no significant "costs to sell" for virtual assets and hence measurement of virtual assets are based on their fair values.

Virtual assets are measured initially as disclosed above, with changes in fair values recognised in profit or loss.

2 Material accounting policies (continued)

(d) Virtual assets (continued)

(i) Fair value measurement principles

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 in the principal or, in its absence, the most advantageous market to which the Sub-Funds have access at that date.

When available, the Sub-Funds measure the fair value of virtual assets using the quoted price in an active market for that virtual asset. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Sub-Funds use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Sub-Funds recognise transfers between levels of the fair value hierarchy as at the end of the reporting year during which the change has occurred.

Net gains or losses on investments are included in profit or loss. Realised gains or losses on investments and unrealised gains or losses on investments arising from a change in fair value. Net realised gains or losses from financial instruments at fair value through profit or loss is calculated using the average cost method.

(e) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities of the Sub-Funds denominated in foreign currencies are translated into US$ at the foreign exchange rates ruling at the end of the reporting year. Differences arising on foreign currency translation are recorded in the statement of comprehensive income as "net foreign exchange gains".

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

2 Material accounting policies (continued)

(g) Taxation

Taxation for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting year. Current tax also includes non-recoverable withholding taxes on investment income, capital gains and share dividends.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

All deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable capital gains will be available against which the asset can be utilised, are recognised.

The amounts of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting year. Deferred tax assets and liabilities are not discounted.

(h) Shares in issue

The Sub-Funds classify capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument is classified as an equity instrument if it has all of the following features:

- It entitles the holder to a pro rata share of the Sub-Funds' net assets in the event of the Sub-Funds' liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does 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.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds over the life of the instrument.

2 Material accounting policies (continued)

(h) *Shares in issue (continued)*

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

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds; and

- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

The Sub-Funds have only one class of shares in issue. The share of the Sub-Funds meet all of these conditions and are classified as equity.

(i) *Segment reporting*

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Sub-Funds' most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Sub-Funds' various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 Material accounting policies (continued)

(j) Related parties

(a) A person, or a close member of that person's family, is related to the Sub-Funds if 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 the Sub-Funds' parent.

(b) An entity is related to the Sub-Funds if any of the following conditions applies:

  (i) The entity and the Sub-Funds are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

  (iii) Both entities 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 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).

  (viii) The entity, or any member of a group which it is a part, provides key management personnel services to the Sub-Funds or to the Sub-Funds' parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Critical judgement

In the process of applying the Sub-Funds' accounting policies, the Manager has made the following accounting judgements:

Accounting for virtual assets transactions and balances

IFRS Accounting Standards do not specifically address accounting for virtual assets. Accordingly, for the preparation of the Sub-Funds' financial statements, management needs to apply judgement in determining appropriate accounting policies based on the existing accounting framework and the facts and circumstances of the Sub-Funds' virtual assets business.

The Sub-Funds' virtual assets portfolio mainly comprises Bitcoin ("BTC") and Ether ("ETH"). According to the business model of the Sub-Funds' activities and the characteristics of BTC and ETH, the Sub-Funds' virtual assets are accounted for as inventories measured at fair value less costs to sell on the statement of assets and liabilities.

Furthermore, in determining fair values, the Manager needs to apply judgement to identify the relevant available markets, and to consider accessibility to and activity within those markets in order to identify the principal virtual asset markets for the Sub-Funds.

4 Net losses on virtual assets

	Pando Bitcoin ETF [(1)] 2026 US$	Pando Ethereum ETF [(2)] 2026 US$
Net realised losses on virtual assets	(135,044)	(9,766)
Net changes in unrealised losses on virtual assets	(18,285,888)	(2,102,082)
Net losses on virtual assets	(18,420,932)	(2,111,848)

[(1)] The date of establishment for Pando Bitcoin ETF was 17 July 2025. This Sub-Fund was authorized by the SFC on 11 July 2025 and commenced operation on 18 July 2025.

[(2)] The date of establishment for Pando Ethereum ETF was 2 December 2025. This Sub-Fund was authorized by the SFC on 21 November 2025 and commenced operation on 3 December 2025.

5 Taxation

<u>Hong Kong Profits Tax</u>

No provision for Hong Kong Profits Tax has been made in the financial statements as the Sub-Funds have been authorised as a collective investment scheme by the SFC under Section 104 of the Hong Kong Securities and Futures Ordinance, profits of Sub-Funds are exempt from Hong Kong profits tax pursuant to Section 26A(1A)(a) of the Inland Revenue Ordinance.

There is no Hong Kong withholding tax on dividends or interest paid by a Hong Kong company.

There is no tax charge to the Sub-Funds for the period ended 31 March 2026.

6 Virtual assets

In accordance with the Prospectus, for operational purpose, the Sub-Funds value virtual assets are valued using an indexing approach by reference to CME CF Bitcoin Reference Rate - Asia Pacific Variant and CME CF Ether-Dollar Reference Rate - Asia Pacific Variant. According to the methodology guide of the index provider, the indices reflect the time-weighted average price derived from aggregated trade data between 3:00pm to 4:00pm Hong Kong time from multiple Bitcoin USD/ Ether USD markets operated by major cryptocurrency exchanges that conform to the index providers' criteria.

However, the methodology used to calculate the index price to value virtual assets is not deemed consistent with IFRS Accounting Standards. For financial statements purposes, under IFRS 13, an entity must prioritise the use of level 1 inputs for fair value measurement when they are available, and adopting the indexing approach to value virtual asset does not comply with IFRS 13. Therefore, the fair value of virtual assets is determined based on the last trading price in a virtual asset market that the Sub-Funds consider as "principal market" as of 11:59pm Hong Kong time on the reporting date.

Below shows the value of virtual assets for the purpose of calculating the Dealing NAV in accordance with the Prospectus, and their value adopted in the financial statements in accordance with IFRS Accounting Standards:

Virtual assets at fair value through profit or loss

Pando Bitcoin ETF	***Quantity*** Unit	***Unit price*** US$	***Value*** US$
31 March 2026			
- for the purpose of calculating the Dealing NAV	400.0438	67,276.40	26,913,505
- for the purpose of IFRS reporting	400.0438	66,671.00	26,671,319

Pando Ethereum ETF	***Quantity*** Unit	***Unit price*** US$	***Value*** US$
31 March 2026			
- for the purpose of calculating the Dealing NAV	2,762.3071	2,051.62	5,667,205
- for the purpose of IFRS reporting	2,762.3071	2,053.03	5,671,099

6 Virtual assets (continued)

The differences between the fair value of virtual assets in accordance with IFRS Accounting Standards and the valuation of virtual assets indicated in the Sub-Funds' Prospectus resulted in adjustments in the net asset value (see note 10).

Virtual asset risks

Pando Bitcoin ETF and Pando Ethereum ETF invest into bitcoin and ether respectively. As a result, the Sub-Funds are exposed to a variety of virtual asset risks as detailed below.

(a) Industry risk

Bitcoin and Ether are relatively new innovations and the market for Bitcoin and Ether are subject to rapid price swings, changes and uncertainty. The further development and acceptance of the Bitcoin and Ether network, which is part of a new and rapidly changing industry, is subject to a variety of factors that are difficult to evaluate and unforeseeable. The slowing, stopping or reversing of the development or acceptance of the Bitcoin and Ether network may adversely affect the price of bitcoin, and therefore cause the Sub-Fund to suffer losses.

(b) Speculative nature risk

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

(c) Limited use risk

Despite that certain retailers have started to accept Bitcoin and Ether as a form of payment in recent years, there is still relatively limited use of Bitcoin and Ether for commercial and retail transactions. Price volatility undermines the ability of Bitcoin and Ether as a medium of exchange, and a contraction of the use of bitcoin may result in a decrease in its value, which could adversely impact the net asset value.

(d) Extreme price volatility risk

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

(e) Concentration risk

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

6 Virtual assets (continued)

(f) Cybersecurity risk

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

(g) Fork risk

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

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

7 Transactions with related parties and Connected Persons

The following is a summary of significant related party transactions or transactions entered into for the period ended 31 March 2026 between the Sub-Funds, the Manager, the Custodian and their Connected Persons. Connected Persons are those as defined in the UT Code issued by the SFC.

All transactions during the period between the Sub-Funds, the Manager, the Custodian and their Connected Persons were entered into in the ordinary course of business and under normal commercial terms. To the best of the knowledge of the Manager, the Sub-Funds did not have any other transactions with Connected Persons except for those disclosed below. The relevant receivables and payables are unsecured, interest free and repayable on demand.

(a) Management fees

Pando Finance Limited is the Manager of the Company and its Sub-funds. The Manager earns management fees at a rate of 1.00% and 0.60% of net asset value per annum for Pando Bitcoin ETF and Pando Ethereum ETF respectively.

The fee is calculated and accrued on each valuation day and payable monthly in arrears. The management fees charged for the period ended 31 March 2026 for each Sub-Fund disclosed in the statement of comprehensive income. As at 31 March 2026, the management fees payable for each Sub-Fund are as below:

Management fee payable	*31 March 2026* US$
Pando Bitcoin ETF	23,692
Pando Ethereum ETF	2,957

7 Transactions with related parties and Connected Persons (continued)

(b) *Custodian and Administrator fees*

The Custodian is entitled to receive a fee up to 1% per annum of the net asset value of the Sub-Funds, subject to a monthly minimum fee of US$ 5,000. Such fee is inclusive of the fee payable to the Virtual Asset Sub-Custodian.

The fee is calculated and accrued on each valuation day and payable monthly in arrears. The custodian fees charged for period ended 31 March 2026 for each Sub-Fund are disclosed in the statement of comprehensive income. As at 31 March 2026, the custodian fees payable for each Sub-Fund are as below:

Custodian and Administrator fee payable	*31 March 2026* US$
Pando Bitcoin ETF	12,290
Pando Ethereum ETF	6,653

(c) *Registrar fees*

The Company appointed BOCI-Prudential Trustee Limited as the registrar. The fee is calculated as US$500 per month per class of share for each Sub-Fund.

The registrar fees charged for the period ended 31 March 2026 for each Sub-Fund are disclosed in the statement of comprehensive income. As at 31 March 2026, the registrar fees payable for each Sub-Fund are as below:

Registrar fee payable	*31 March 2026* US$
Pando Bitcoin ETF	518
Pando Ethereum ETF	533

(d) *Transaction costs*

Transaction fee includes brokerage and commission fee for the purchases and sales of virtual assets. The transaction fees charged for the period ended 31 March 2026 for each Sub-Fund are as below:

Transaction fee	*For the period ended 31 March 2026* US$
Pando Bitcoin ETF	135
Pando Ethereum ETF	60

As at 31 March 2026, the transaction fee payable to BOCI-Prudential Trustee Limited for Pando Bitcoin ETF and Pando Ethereum ETF is US$15 and US$15 respectively.

7 Transactions with related parties and Connected Persons (continued)

(e) Bank balances

The bank balance of a bank account maintained with Bank of China (Hong Kong) Limited, a related party of the Custodian of each Sub-Fund, as at 31 March 2026, are as below:

	31 March 2026
	US$
Pando Bitcoin ETF	110,235
Pando Ethereum ETF	19,253

The interest earned from such bank accounts for the period ended 31 March 2026 for each Sub-Fund are disclosed in the statement of comprehensive income.

(f) Shares held

As at 31 March 2026, the directors of the Manager and a related company of the Manager held shares in the Sub-Funds as follows:

	31 March 2026
	Shares
Pando Bitcoin ETF	38,400,000
Pando Ethereum ETF	7,672,600

8 Capital management and shares in issue

As at 31 March 2026, each of the Sub-Fund issued one class of units - Listed class which is available for buy and sale in the secondary market during trading hours.

The Sub-Funds' capital at the reporting date is represented by its redeemable shares.

The Sub-Funds' objective in managing the capital is to ensure a stable and strong base to achieve long term capital growth, and to manage liquidity risk arising from the redemptions. The Manager manages the capital of the Sub-Funds in accordance with the Sub-Funds' investment objectives and policies stated in the Sub-Funds' Prospectus.

There were no changes in the policies and procedures during the period ended 31 March 2026 with respect to the Sub-Funds' approach to its capital management. The Company and the Sub-Funds do not have any externally imposed capital requirements.

The amount and the movement of net assets attributable to shareholders are stated in the statement of changes in net assets attributable to shareholders. As the redeemable share are redeemed on demand at the shareholders' option, the actual level of redemption may differ significantly from historic experience.

Redeemable shares were issued by the Sub-Funds and the movement are shown in the table below.

8 Capital management and shares in issue (Continued)

(a) *Number of shares in issue*

	Pando Bitcoin ETF *For the period ended 31 March 2026* Shares	***Pando Ethereum ETF*** *For the period ended 31 March 2026* Shares
Listed class		
At beginning of the period	-	-
Shares subscribed during the period	48,000,000	7,900,000
At the end of the period	48,000,000	7,900,000
Net asset value per share (in accordance with IFRS Accounting Standards)	US$0.5520	US$0.7162

(b) *Net asset value per share*

Different classes of shares may be offered for the Sub-Funds. At the end of the reporting period, the net asset value per share (in accordance with IFRS Accounting Standards) is as follows:

	Pando Bitcoin ETF *31 March 2026*	***Pando Ethereum ETF*** *31 March 2026*
Listed class		
At beginning of the period	-	-
At the end of the period	US$0.5520	US$0.7162

9 Establishment cost

Pando Bitcoin ETF was listed on 18 July 2025, and Pando Ethereum ETF was listed on 3 December 2025. Establishment costs for establishing the Pando Bitcoin ETF and Pando Ethereum ETF, were US$ 219,669 and US$45,713 respectively. They were fully expensed during the period ended 31 March 2026 in accordance with IFRS Accounting Standards.

Per the Prospectus of Pando Bitcoin ETF and Pando Ethereum ETF for the purpose of calculating the dealing NAV, the net of establishment costs and grants are amortised over the first five accounting year of the Sub-Funds and as of 31 March 2026, the remaining amortisation year and amount for each Sub-Fund are as below:

	Pando Bitcoin ETF	***Pando Ethereum ETF***
Remaining amortisation year	4 years	4 years
Remaining amortisation amount	US$186,680	US$42,260

The differences between expensing the establishment costs as incurred in accordance with IFRS Accounting Standards and amortisation of the establishment costs indicated in the Sub-Funds' Prospectus resulted in adjustments in the net asset value (see note 10).

10 Reconciliation of net asset value

The net asset value presented in the statements of assets and liabilities differs from that quoted for pricing purposes at the period end are different. The principles for calculating the Dealing NAV as set out in the Sub-Funds' Prospectus are different from those required for financial reporting purposes under IFRS Accounting Standards. The following reconciliation provides details of the differences:

	Pando Bitcoin ETF *2026* US$	***Pando Ethereum ETF*** *2026* US$
Net asset value as reported in the financial statements as at 31 March	26,496,500	5,656,114
Adjustments for different basis adopted by the Sub-funds in arriving at the Dealing NAV:		
- Valuation of virtual assets (note 6)	242,186	(3,894)
- Unamortised establishment cost (note 9)	186,680	42,260
Dealing NAV as at 31 March	26,925,366	5,696,480

11 Financial instruments, virtual assets and associated risks

Up to 100% of the Sub-Funds' assets may be invested in virtual assets as dictated by their respective investment management strategies. The investment objectives of the Sub-Funds are disclosed in note 1.

The Sub-Funds' investing activities expose it to various types of risks that are associated with the virtual assets in which it invests. The Manager and the Custodian have set out below the most important types of financial risks inherent in each type of financial instruments. The Manager and the Custodian would like to highlight that the following list of associated risks only sets out some of the risks but does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Sub-Funds. Shareholders should note that additional information in respect of risks associated with financial instruments in the Sub-Funds can be found in the Sub-Funds' Prospectus.

The Directors delegate the investment function of the Sub-Funds to the Manager.

The nature and extent of the financial instruments outstanding at the end of the reporting period and the risk management policies employed by the Sub-Funds are discussed below.

11 Financial instruments, virtual assets and associated risks (continued)

(a) Market risk

Market risk embodies the potential for both losses and gains and includes price risk, currency risk and interest rate risk. The Sub-Funds' strategies on the management of market risk are driven by the Sub-Funds' investment objectives.

The Sub-Funds' market risk is managed on a regular basis by the Manager in accordance with policies and procedures in place. The Sub-Funds' overall market position is monitored on a yearly basis by the Custodian. Details of the nature of the Sub-Funds' investment portfolios at the reporting date are disclosed in the investment report.

The Sub-Funds are designated to track the performance of indices, and therefore the exposures to market risk in the Sub-Funds will be substantially the same as the tracked indices.

(i) Price risk

The Sub-Funds are exposed to price risk arising from virtual assets which are measured on fair value basis. The Sub-Funds' performance is highly dependent on the market price of virtual assets. Price risk is managed in accordance with the investment objectives. As at 31 March 2026, the only market exposures were investment in virtual assets disclosed in note 6.

Sensitivity

At the reporting date, the impact of a 10% increase in value of the virtual assets, with all other variables held constant, is shown below. An equal change in the opposite direction would have reduced the net asset values by an equal but opposite amount.

	Change in price %	*Estimated increase in net assets attributable to unitholders* US$
Pando Bitcoin ETF		
As at 31 March 2026	10%	2,667,132

	Change in price %	*Estimated increase in net assets attributable to unitholders* US$
Pando Ethereum ETF		
As at 31 March 2026	10%	567,110

11 Financial instruments, virtual assets and associated risks (continued)

(a) Market risk (continued)

(ii) Currency risk

The Sub-Funds may hold assets and liabilities denominated in currencies other than their functional currencies and are therefore exposed to currency risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value of the Sub-Funds' assets and liabilities denominated in currencies other than US$.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the value of that asset or liability. The Manager may mitigate this risk by using derivative financial instruments. The Manager monitors the Sub-Funds' currency exposure on an ongoing basis.

As at 31 March 2026, all financial instruments for Pando Bitcoin ETF and Pando Ethereum ETF are denominated either in Hong Kong dollars ("HK$") or United States dollars ("US$"). As HK$ is pegged to US$, the Manager considers there is no significant currency risk associated with the Sub-Funds.

(iii) Interest rate risk

Interest rate risk arises from changes in interest rates which may affect the value of interest-bearing financial assets and liabilities, and therefore result in potential gain or loss to the Sub-Funds. The Sub-Funds' interest rate risk is managed on a regular basis by the Manager.

The Sub-Funds' exposure to the risk of changes in market interest rates relates primarily to the cash and cash equivalents, which is considered not significant to the Sub-Funds.

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. All transactions in investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of virtual assets sold is only made when the Custodian has received payments.

For purchase transactions, payments are made once virtual assets have been received by the Custodian. The trade will fail if either party fails to meet their obligation.

The Manager monitors the Sub-Funds' credit position on a regular basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of assets and liabilities.

The Sub-Funds apply the IFRS 9 general model for amounts receivables and cash and cash equivalents. The Manager considers the probability of the counterparties not being able to pay is minimal as they have capacity to meet their contractual obligations in the near term and thus there is no impairment allowance recognized for the period ended 31 March 2026.

11 Financial instruments, virtual assets and associated risks (continued)

(c) Liquidity risk

Liquidity risk arises from the risk that the Sub-Funds may not be able to convert investments into cash to meet liquidity needs in a timely manner. The Sub-Funds' exposure to liquidity risk arises because of the possibility that the Sub-Funds could be required to pay its liabilities or redeem its shares earlier than expected. The Sub-Funds are exposed to daily cash redemption of its redeemable shares. Shares are redeemable at the shareholders' option based on the Sub-Funds' net asset value per share at the time of redemption.

The Sub-Funds' policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long-term.

Pando Bitcoin ETF and Pando Ethereum ETF invest in Bitcoin and Ether respectively which are traded in an active market, and can be readily disposed of. The Manager monitors the Sub-Funds' liquidity position on a regular basis.

As at 31 March 2026, all the financial liabilities including net assets attributable to shareholders of the Sub-Funds are repayable on demand or due within three months.

12 Fair value information

The Sub-Funds' virtual assets are measured at fair value at the reporting date. Fair value estimates are made at a specified point in time, based on market conditions and information about the virtual assets. Usually, fair values can be reliably determined within a reasonable range of estimates.

Valuation of virtual assets

The Sub-Funds' accounting policy on fair value measurements is detailed in material accounting policies in note 2(d).

The Sub-Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

12 Fair value information (continued)

The following analyses virtual assets at fair value the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Pando Bitcoin ETF				
As at 31 March 2026	26,671,319	-	-	26,671,319
Pando Ethereum ETF				
As at 31 March 2026	5,671,099	-	-	5,671,099

During the period ended 31 March 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

Valuation of financial instruments

For certain other financial instruments including interest receivable and other payables, the carrying amounts approximate fair values due to the immediate or short-term nature of these financial instruments.

13 Major non-cash transactions

In accordance with the Prospectus, shares of Pando Bitcoin ETF and Pando Ethereum ETF can be issued through an in-kind creation with the remaining balances in cash. For each creation or redemption shares, the Sub-Funds receive or pay an Application Basket consisting of a portfolio of Virtual Asset determined by the Manager at the start of business on the relevant Dealing Day. The Manager has discretion to accept any Creation or Redemption shares, below beforehand mentioned, given that it is in the multiple of 100,000 shares.

During the period ended 31 March 2026, Pando Bitcoin ETF received in-kind creation instructions of US$23,744,420 and Pando Ethereum ETF received in-kind creation instructions of US$7,600,000.

14 Distributions

In accordance with the Prospectus of the Sub-Funds, Pando Bitcoin ETF and Pando Ethereum ETF have no distribution policy and no distribution will be made.

Accordingly there was no amount available for distribution to shareholders and undistributed income carried forward for Pando Bitcoin ETF and Pando Ethereum ETF for the period ended 31 March 2026.

There was no distribution made for Pando Bitcoin ETF and Pando Ethereum ETF for the period ended 31 March 2026.

15 Soft dollar commission

As regards to the Sub-Funds, the Manager has not entered into any soft dollar commission arrangements for the period ended 31 March 2026.

16 Segment information

The Manager makes the strategic resource allocation on behalf of the Company and the Sub-Funds and determine the operating segments based on the internal reporting used to make strategic decisions.

The Manager's asset allocation decisions for the Sub-Funds are based on one single, integrated investment strategy, and the Sub-Funds' performance are evaluated on an overall basis. Accordingly the Manager considers that each of the Sub-Funds has one single operating segment which is investing in a portfolio of virtual assets to generate investment returns in accordance with the investment objective stipulated in the Prospectus.

All gains and losses generated from investments by the Sub-Funds are disclosed in note 4.

The segment information provided to the Manager is the same as that disclosed in the Statement of comprehensive income and the Statement of Assets and Liabilities.

The Sub-Funds are domiciled in Hong Kong. All of the Sub-Funds' income is derived from investments virtual assets. The Sub-Funds have no assets classified as non-current assets.

17 Bank loans, overdrafts and other borrowings

The Sub-Funds had no bank loans, overdrafts or other borrowings as at 31 March 2026.

18 Securities lending arrangement

For the period ended 31 March 2026, the Sub-Funds did not enter into any security lending arrangements.

19 Negotiability of assets

As at 31 March 2026, there were no statutory or contractual requirements restricting the negotiability of the assets of the Sub-Funds.

20 Commitments

As at 31 March 2026, the Sub-Funds had no commitments.

21 Contingent liabilities and capital commitment

As at 31 March 2026, the Sub-Funds had no contingent liabilities or capital commitment outstanding.

22 Possible impact of amendments, new standards and interpretations issued but not yet effective for the period ended 31 March 2026

Up to the date of issue of these financial statements, a number of new accounting standards are effective for annual reporting period beginning after 31 March 2026 and have not been adopted in these financial statements. These include the following which may be relevant to the Company and the Sub-Funds.

	Effective for accounting periods beginning on or after
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The Company and the Sub-Funds are in the process of making an assessment of what the impact of these amendments and interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

23 Subsequent events

The Manager has evaluated the possibility of subsequent events in the Company and its Sub-Funds' financial statements through the date the financial statement were available to be issued. There were no other material events after the reporting date, which necessitate revision of the figures or disclosures included in these financial statements.

Investment portfolio (Unaudited)

Pando Bitcoin ETF

As at 31 March 2026	Holdings	Fair value USD	% of net assets
Virtual assets			
BITCOIN [(1)]	400.043777	26,671,319	100.66%
Total virtual assets		26,671,319	100.66%
Total investments		26,671,319	100.66%
Other net liabilities		(174,819)	(0.66%)
Net assets attributable to shareholders at 31 March 2026		26,496,500	100.00%
Total virtual assets, at cost		44,957,207	

Pando Ethereum ETF

As at 31 March 2026	Holdings	Fair value USD	% of net assets
Virtual assets			
ETHER [(1)]	2,762.307130	5,671,099	100.23%
Total virtual assets		5,671,099	100.23%
Total investments		5,671,099	100.23%
Other net liabilities		(12,985)	(0.23%)
Net assets attributable to shareholders at 31 March 2026		5,658,114	100.00%
Total virtual assets, at cost		7,773,181	

(1) The Sub-Funds' virtual asset disclosures are presented in accordance with IFRS Accounting Standards. For detailed information regarding valuation methodology, please refer to Note 6.

Statement of movements in investment portfolio for the period ended 31 March 2026 (Unaudited)

Pando Bitcoin ETF

	As at 18 July 2025 (Date of commencement of operations)	Holdings Additions	Disposals	As at 31 March 2026
Virtual assets				
BITCOIN	-	405.319939	(5.276162)	400.043777

Pando Ethereum ETF

	As at 3 December 2025 (Date of commencement of operations)	Holdings Additions	Disposals	As at 31 March 2026
Virtual assets				
ETHER	-	2789.498769	(27.191639)	2762.30713

Performance table (Unaudited)

Net asset value

	Pando Bitcoin ETF	
	Dealing net asset value of the Sub-Fund *USD*	Dealing net asset value per unit *USD*
At the end of financial period dated		
31 March 2026	26,925,366	0.5609

	Pando Ethereum ETF	
	Dealing net asset value of the Sub-Fund USD	Dealing net asset value per unit USD
At the end of financial period dated		
31 March 2026	5,696,480	0.7211

*Total net asset value and the net asset value per share was calculated in accordance with the prospectus.

Highest and lowest net asset value per shares

	Pando Bitcoin ETF	
	Highest net asset value per unit *USD*	Lowest net asset value per unit *USD*
For the period ended		
31 March 2026	1.0422	0.5276

	Pando Ethereum ETF	
	Highest net asset value per unit *USD*	Lowest net asset value per unit *USD*
For the period ended		
31 March 2026	1.1745	0.6424

*The highest net asset value per share and lowest net assets value per share were calculated in accordance with the prospectus.