



CSOP ETF SERIES II
(An umbrella unit trust established in Hong Kong)

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK
BOND INDEX ETF**

Stock Codes: 83199 (RMB counter) and 03199 (HKD counter)
(A sub-fund of CSOP ETF Series II)

Unaudited Semi-Annual Report
FOR THE PERIOD ENDED 30 JUNE 2021



**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(FORMERLY KNOWN AS CSOP CHINA 5-YEAR TREASURY BOND ETF)
(A SUB-FUND OF CSOP ETF SERIES II)**

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CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF (A SUB-FUND OF CSOP ETF SERIES II)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

CSOP Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF (the “Sub-Fund”) seeks to track the investment results of the Bloomberg Barclays China Treasury + Policy Bank Index (the “Index”). The Sub-Fund will invest directly in RMB denominated and settled fixed-rate bonds issued by the Ministry of Finance of the PRC, the China Development Bank, the Agricultural Development Bank of China or the Export-Import Bank of China and distributed within the PRC (the “Treasury Bonds and Policy Bank Bonds”) through the Manager’s status as a Renminbi qualified foreign institutional investor (“RQFII”), and/or via the initiative for mutual bond market access between Hong Kong and Mainland China (“Bond Connect”). Effective from 24 June 2019, the Sub-Fund has changed its underlying index from ChinaBond 5-year Treasury Bond Index to track the Bloomberg Barclays China Treasury + Policy Bank Index.

The Sub-Fund Performance

The CSOP Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As at 30 June 2021, the dealing Net Asset Value (“NAV”) per unit of the Sub-Fund was RMB102.3849 and there were 3,760,000 units outstanding. The total asset under management was approximately RMB 385.0 million.

During the period from 1 January 2021 to 30 June 2021, the NAV of the Sub-Fund RMB counter (stock code 83199) performed +1.81% while the index performed 2.15%. The difference in performance between the NAV of the Sub-Fund and the index is mainly attributed to fees and expenses. As at 30 June 2021, the duration of CSOP Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF RMB counter (stock code 83199) was 5.67 while the index was 5.65.

	Annual total return	Rolling 1 year Tracking Error (Annual)
83199 NAV (div reinvests) (From 1 January 2021 to 30 June 2021)	1.81%	0.46%
Bloomberg Barclays China Treasury + Policy Bank Index (From 1 January 2021 to 30 June 2021)	2.15%	

Ex-Date	Record Date	Payable Date	Dividend Per Unit	Dividend Paid Out of Net Distributable Income* for the month	Dividend Paid Out of Capital
2021-01-21	2021-01-22	2021-01-27	RMB 0.9 per share	RMB 0.00	RMB 0.90
2021-04-22	2021-04-23	2021-04-28	RMB 0.9 per share	RMB 0.40	RMB 0.50

*“Net distributable income” means the net investment income (i.e. dividend income and interest income net of fees and expenses) attributable to the relevant share class and may also include net realised gains (if any) based on unaudited management accounts. However, “net distributable income” does not include net unrealised gains.

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

REPORT OF THE MANAGER TO THE UNITHOLDERS (CONTINUED)

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.

Exchange Liquidity

The trading value of the RMB counter (stock code: 83199) remained steady at an average daily turnover of RMB 1.6 million in June 2021. The trading value of the HKD counter (stock code: 03199) remained steady at an average daily turnover of HKD 0.23 million in June 2021.

Portfolio Rebalance

The CSOP Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF adopts sampling strategy to track the Index.

Fund Holdings						
Ticker	Maturity date	YTM(%)	Modified Duration	Amount	Portfolio Percentage (%)	Index Percentage (%)
120013	8/2/2042	3.50	14.14	5,000,000	1.42	0.10
140017	8/11/2034	3.26	9.90	10,000,000	2.98	0.10
160205	1/25/2036	3.65	11.10	5,000,000	1.32	0.64
160210	4/5/2026	3.25	4.39	10,000,000	2.59	0.81
180028	12/6/2025	2.87	4.07	10,000,000	2.63	0.71
180205	2/9/2028	3.41	5.65	12,500,000	3.52	0.80
180310	3/26/2028	3.43	5.77	5,000,000	1.41	0.39
180413	11/21/2023	2.96	2.26	10,000,000	2.63	0.35
190004	4/11/2024	2.71	2.65	10,000,000	2.63	0.96
190008	6/24/2069	3.75	21.90	4,000,000	1.1	0.41
190011	8/8/2022	2.47	1.06	10,000,000	2.6	0.94
190203	2/1/2024	2.96	2.46	20,000,000	5.24	0.61
190204	2/26/2026	3.26	4.25	10,000,000	2.64	0.43
190210	5/21/2029	3.47	6.85	10,000,000	2.62	0.84
190215	9/20/2029	3.49	6.98	10,000,000	2.59	0.85
190305	2/11/2024	2.98	2.49	10,000,000	2.62	0.93
190310	5/20/2029	3.48	6.81	5,000,000	1.33	0.69
190407	7/17/2022	2.58	1.00	10,000,000	2.61	0.35
190408	7/19/2026	3.28	4.48	10,000,000	2.64	0.54
200003	3/5/2023	2.64	1.63	5,000,000	1.29	0.69
200004	3/16/2050	3.69	17.75	20,000,000	4.93	0.85

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

REPORT OF THE MANAGER TO THE UNITHOLDERS (CONTINUED)

Fund Holdings						
Ticker	Maturity date	YTM(%)	Modified Duration	Amount	Portfolio Percentage (%)	Index Percentage (%)
200007	5/25/2070	3.76	22.25	1,000,000	0.26	0.51
200008	6/4/2027	3.02	5.44	10,000,000	2.57	1.13
200009	7/2/2023	2.68	1.91	10,000,000	2.58	0.90
200012	9/14/2050	3.67	17.50	8,000,000	2.13	0.98
200013	10/22/2025	2.89	3.97	10,000,000	2.61	1.14
200014	11/5/2023	2.69	2.23	30,000,000	7.82	1.09
200016	11/19/2030	3.10	8.01	10,000,000	2.63	1.16
200017	12/3/2027	3.01	5.71	20,000,000	5.27	1.04
200207	8/7/2023	2.85	1.99	10,000,000	2.6	0.35
200208	6/22/2025	3.18	3.75	6,000,000	1.54	0.33
200210	6/18/2030	3.49	7.80	10,000,000	2.51	0.87
200303	4/7/2023	2.81	1.72	5,000,000	1.28	0.30
200311	11/16/2030	3.50	7.78	3,000,000	0.79	0.48
200315	10/23/2025	3.23	3.93	10,000,000	2.62	0.49
200408	9/23/2025	3.22	3.85	10,000,000	2.62	0.42
200410	10/26/2030	3.49	7.71	10,000,000	2.65	0.69
210002	3/11/2026	2.90	4.35	5,000,000	1.3	0.51
Total	-	-	-	-	97.12%	25.42%

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	<i>Notes</i>	30 June 2021 (Unaudited) <i>RMB</i>	31 December 2020 (Audited) <i>RMB</i>
ASSETS			
CURRENT ASSETS			
Investments	7(c),8(a)	378,531,982	181,795,677
Bank interest receivable		391	72
Interest receivable on bonds		5,897,270	3,275,414
Other receivables		7,913	-
Bank balances	7(c)	985,604	581,271
Total assets		<u>385,423,160</u>	<u>185,652,434</u>
LIABILITIES			
CURRENT LIABILITIES			
Management fee payable	7(a),7(b)	131,356	69,337
Other accounts payable		324,706	316,287
Total liabilities		<u>456,062</u>	<u>385,624</u>
EQUITY			
Net assets attributable to unitholders	4	<u>384,967,098</u>	<u>185,266,810</u>

Note: Semi-annual reports have applied the same accounting policies and methods of computation as are applied in the annual reports of the Sub-Fund.

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

CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2021

	<i>Notes</i>	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>RMB</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>RMB</i>
INCOME			
Interest income from bank deposits	7(c)	6,784	2,763
Interest income from bonds		4,373,268	2,620,778
Net gain on investments	5	2,451,722	1,520,514
Other income		24,137	888
Total net income		<u>6,855,911</u>	<u>4,144,943</u>
EXPENSES			
Management fee	7(a),7(b)	(615,616)	(382,609)
Transaction costs on investments		(4,958)	(471)
Audit fee		(14,162)	(17,428)
Safe custody and bank charges	7(d)	(48,277)	(33,196)
Legal and other professional fee		(3,452)	-
Other operating expenses	7(d)	(159,274)	(133,366)
Total operating expenses		<u>(845,739)</u>	<u>(567,070)</u>
Operating profit		<u>6,010,172</u>	<u>3,577,873</u>
Taxation	6	(507)	(194)
Total comprehensive income		<u><u>6,009,665</u></u>	<u><u>3,577,679</u></u>

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

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2021

	<i>Notes</i>	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>RMB</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>RMB</i>
Net assets attributable to unitholders at the beginning of the period		185,266,810	169,008,083
Proceeds on issue of units	4	231,719,091	15,799,038
Payments on redemption of units	4	(33,717,468)	(12,501,498)
Net increase from unit transactions		198,001,623	3,297,540
Distribution to unitholders	10	(4,311,000)	(2,907,000)
Total comprehensive income for the period		6,009,665	3,577,679
Net assets attributable to unitholders at the end of the period		384,967,098	172,976,302

The movements of the redeemable units for the years ended 30 June 2021 and 2020 are as follows:

	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>Units</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>Units</i>
Number of units in issue at the beginning of the period	1,810,000	1,630,000
Units issued	2,280,000	150,000
Units redeemed	(330,000)	(120,000)
Number of units in issue at the end of the period	3,760,000	1,660,000

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

CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
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CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2021

	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>RMB</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>RMB</i>
OPERATING ACTIVITIES		
Payments for purchase of investments	(243,507,298)	(49,048,475)
Proceeds from sale of investments	49,222,715	46,812,323
Interest income from bank deposits received	6,465	2,830
Interest income from bonds received	1,751,412	3,212,969
Other income received	24,137	888
Management fee paid	(553,597)	(384,209)
Transaction costs paid	(4,958)	(471)
Taxation paid	(507)	(194)
Other operating expenses paid	(224,659)	(149,418)
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(193,286,290)	446,243
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FINANCING ACTIVITIES		
Proceeds on issue of units	231,719,091	15,799,038
Payments on redemption of units	(33,717,468)	(12,501,498)
Dividend distribution paid	(4,311,000)	(2,907,000)
	<hr/>	<hr/>
Net cash generated from financing activities	193,690,623	390,540
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Net increase in cash and cash equivalents	404,333	836,783
Cash and cash equivalents at the beginning of the period	581,271	118,753
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	985,604	955,536
	<hr/> <hr/>	<hr/> <hr/>
Analysis of balances of cash and cash equivalents		
Bank balances	985,604	955,536
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The accompanying notes form an integral part of these unaudited condensed financial statements.

CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF (A SUB-FUND OF CSOP ETF SERIES II)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP ETF Series II (the “Trust”) is an umbrella unit trust governed by its trust deed dated 20 January 2014, as amended, (the “Trust Deed”) and authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to Section 104(1) of the Securities and Futures Ordinance. The terms of the Trust Deed are governed by the laws of Hong Kong. As at 30 June 2021, the Trust has two sub-funds which are CSOP Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF (the “Sub-Fund”) and CSOP RMB Money Market ETF. The date of inception of the Sub-Fund was 17 February 2014. The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited.

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

With effect from 24 June 2019, the name of the Sub-Fund has been changed from CSOP China 5-Year Treasury Bond ETF to CSOP Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF.

Effective from 31 March 2020, USD trading counter 9199 was terminated.

Effective from 24 June 2019, the Sub-Fund has changed its underlying index from ChinaBond 5-year Treasury Bond Index to Bloomberg Barclays China Treasury + Policy Bank Index. The Bloomberg Barclays China Treasury + Policy Bank Index (the “Index”) is compiled and published by Bloomberg Index Services Limited. The Index aims to reflect the performance of fixed rate onshore RMB-denominated Treasury Bonds and Policy Bank Bonds listed on the PRC inter-bank bond market. The Index operates under clearly defined rules published by the index provider and is a tradable index.

Effective from 24 June 2019, the investment objective of the Sub-Fund is to provide investment results that, before of deduction of fees and expenses, closely correspond to the performance of the underlying index, namely, Bloomberg Barclays China Treasury + Policy Bank Index. Prior to 24 June 2019, the investment objective of the Sub-Fund was to provide investment results that, before of fees and expenses, closely correspond to the performance of the underlying index, namely the ChinaBond 5-year Treasury Bond Index. In order to achieve the investment objective of the Sub-Fund, the Manager will continue to adopt a representative sampling strategy. A representative sampling strategy involves investing in a representative sample of securities that collectively has an investment profile that reflects the profile of the index.

Under current regulations in the People’s Republic of China (“PRC”), foreign investors can invest in the domestic debt securities market through certain qualified foreign institutional investors that have obtained status as a Qualified Foreign Institutional Investor (“QFII”) or a Renminbi Qualified Foreign Institutional Investor (“RQFII”) from the China Securities Regulatory Commission (“CSRC”) and have been granted quota(s) by the State Administration of Foreign Exchange (“SAFE”) of the PRC to remit foreign freely convertible currencies (in the case of a QFII) and Chinese Renminbi (“RMB”) (in the case of a RQFII) into the PRC for the purpose of investing in the PRC’s domestic debt securities markets.

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION (Continued)

The Sub-Fund obtains exposure to debt securities issued within the PRC through the RQFII quotas of the Manager. The Manager has obtained RQFII status in the PRC and the RQFII quotas have been granted on behalf of the Sub-Fund. To the extent that the Manager has, on behalf of the Sub-Fund, utilised its entire RQFII quota, the Manager may, subject to any applicable requirements, apply for an increase of the RQFII quota. On the other hand, the Manager actively manages the RQFII quota obtained and may impose limits on creation applications as it considers appropriate.

These condensed financial statements are prepared for the Sub-Fund only. The condensed financial statements for the other sub-fund of the Trust have been prepared separately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

These condensed semi-annual financial statements for the six months ended 30 June 2021 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. The condensed semi-annual financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in the annual financial statements.

Standard and amendments to existing standards effective 1 January 2021

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2021 that have a material effect on the financial statements of the Sub-Fund.

New standards and amendments and interpretations effective after 1 January 2021 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Fund

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

In preparing these financial statements, the Manager has made certain assumptions and used various estimates concerning the fair value of the debt securities and the tax exposure which are dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Fair value of unlisted investments

The Sub-Fund holds a number of quoted debt securities that are valued by reference to broker quotes as at 30 June 2021 and 31 December 2020. In determining the fair value of such investments, the Management exercises judgement and estimates on the quantity and quality of pricing sources used. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. As such, broker quotes do not necessarily indicate the price at which the security could actually be traded as at 30 June 2021 and 31 December 2020. Actual transacted prices may differ from the quotes provided by the brokers. The Management considers that in the absence of any other reliable market sources, the broker quotes available to them reflect the best estimate of fair value.

(b) People's Republic of China ("PRC") tax provision

Under the general tax provision of PRC Corporate Income Tax Law ("PRC CIT Law"), the non-PRC residents with no place of effective management, establishment or place of business in the PRC may be subject to 10% PRC withholding income tax ("WIT") on the capital gain derived from disposal of securities, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties.

In addition, the non-PRC residents with interest income derived from the debt securities will be subject to 10% WIT. Pursuant to the PRC CIT Law, debt securities issuers in the PRC are obligated to withhold the 10% PRC WIT on interest income for those foreign debt securities holders. However, interest income derived from government bonds issued by the State Council's finance departments and/or local government bonds approved by the State Council is exempt from PRC WIT under the PRC CIT Law.

Furthermore, according to the notice Caishui [2016] No.36 ("Circular 36"), Value-Added Tax ("VAT") at 6% shall be levied on the difference between the selling and buying prices of those marketable securities starting from 1 May 2016. In addition, if VAT is applicable, local surtaxes including Urban Maintenance and Construction Tax (currently at the rate ranging from 1% to 7%), Education Surcharge (currently at the rate of 3%) and Local Education Surcharge (currently at the rate of 2%) are imposed based on the VAT liabilities (the "VAT related taxes"). The gains derived by QFIIs/RQFIIs and through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect from trading of marketable securities (including A-shares and other PRC listed securities) are exempted from VAT in the PRC under Circular 36 and other prevailing VAT regulations. According to Caishui [2016] No. 70, gains derived by approved foreign investors from the trading of RMB denominated debt securities in the China Interbank Bond Market should be exempt from PRC VAT. There is no specific VAT rules on Bond Connect, by making reference to the above circular and other related prevailing tax regulations, it is anticipated that gains derived by foreign investors from the trading of PRC bonds through "Northbound Trading" should also not be subject to PRC VAT. In addition, deposit interest income and interest received from government bonds and local government bonds are also exempt from VAT.

Exemption of PRC WIT and VAT effective from 7 November 2018

On 7 November 2018, the Ministry of Finance and the PRC State Taxation Administration ("STA") jointly issued a notice Caishui [2018] No.108 ("Circular 108") which stipulates that foreign institutional investors are temporarily exempted from PRC WIT and VAT in respect of bond interest income received from 7 November 2018 to 6 November 2021.

The Sub-Fund did not make any provision on VAT from 1 May 2016 to 7 November 2018 as the Manager considers the potential PRC VAT exposure was immaterial. Refer to Page 11.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) People's Republic of China ("PRC") tax provision (Continued)

Exemption of PRC WIT and VAT effective from 7 November 2018 (Continued)

The Manager decides to change the tax provisioning policy of the Sub-Fund and cease to make provisions for PRC WIT and VAT (plus the VAT related taxes) on the interest income received from PRC non-government bonds from 7 November 2018 to 6 November 2021.

(i) Capital gains on PRC debt securities and investment funds ("PRC Investments")

During the period/year ended 30 June 2021 and 2020, the Sub-Fund invests in PRC debt securities in PRC through the RQFII program. The Manager considers that the enforcement of PRC tax on gains derived from the PRC Investments is uncertain as at the date of approval of these financial statements and has exercised its judgment when assessing whether the Sub-Fund may be liable for PRC taxation on its gains, the amount of potential liability and the probability of such tax being levied up to the reporting date. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events.

The Manager considered that the WIT policy for QFIIs/RQFIIs' investment in debt securities has not been clarified in the "Notice on temporary exemption of Corporate Income Tax on capital gains derived from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII" (the "Notice").

Based on the current verbal interpretation of the STA and the local PRC tax authorities, the authorities are of the view that capital gains derived by foreign investors from investment in PRC debt securities would not be treated as PRC-sourced income and thus would not be subject to PRC WIT. However, there are no written tax regulations issued by the PRC tax authorities to confirm this interpretation. As a matter of practice, such 10% PRC WIT on capital gains realised by non-PRC tax resident enterprises from the trading of these PRC debt securities has not been strictly enforced by the PRC tax authorities. The Manager has considered the applicability of the arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion to the Sub-Fund and assessed that the probability of such tax being levied up to the approval date of the financial statements of the Sub-Fund is reasonably low. Based on all the aforementioned factors, the Manager has reassessed the provisioning approach and has continued not making PRC WIT provision on gains derived from the PRC debt securities of the Sub-Fund.

The Manager estimates the gross realised gains from 17 February 2014 (date of inception) to 30 June 2021 and gross unrealised gains of the Sub-Fund as at 30 June 2021 which could be exposed to PRC WIT at the rate of 10% to be RMB228,748,467 (from 17 February 2014 (date of inception) to 31 December 2020: RMB228,656,891) and RMB2,736,471 (As at 31 December 2020: RMB689,456) respectively. The estimated potential capital gain tax exposure arising from gross realised capital gain and gross unrealised capital gain would be RMB22,874,847 and RMB273,647 respectively which in aggregate represents 6.01% (As at 31 December 2020: RMB22,865,689 and RMB68,946 respectively which in aggregate represents 12.38%) of the net assets attributable to unitholders of the Sub-Fund as at 30 June 2021. The Manager considers that the PRC WIT on capital gains from PRC debt securities is still uncertain and has not made the provision on the gross realised capital gains and gross unrealised capital gains derived from PRC debt securities in the Sub-Fund as at 30 June 2021 and 31 December 2020.

The Manager has exercised its judgment when assessing whether the Sub-Fund may be liable for PRC taxation on its gains, the amount of potential liability and the probability of such tax being levied up to the reporting date. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) People's Republic of China ("PRC") tax provision (Continued)

(ii) Interest income on bonds issued by PRC tax residents ("PRC Bonds")

The Management considers that the PRC WIT treatment on accrued interest of PRC non-government bonds holding by the Sub-Fund as at 30 June 2021 derived from 17 February 2014 (date of inception) to 6 November 2018 (prior to WIT exemption under Circular 108) and the enforcement of VAT and the VAT related taxes from 1 May 2016 to 6 November 2018 (prior to VAT exemption under Circular 108) is uncertain as at the date of approval of these financial statements. The Manager has exercised significant judgment in their assessment of the PRC withholding tax expense and the related tax provision.

PRC WIT

For the PRC bonds disposed of during the year, Management has not made provision on the accrued interest income of PRC bonds during the year and as at reporting date as they consider that:

- (i) the issuers of PRC bonds are required to withhold 10% WIT at the coupon payment date before distributing the interest income to the bond holder; and
- (ii) the PRC bonds purchased during the period from 1 May 2016 to 6 November 2018 were sold by the Manager before the coupon payment dates or the maturity dates of the PRC bonds.

PRC VAT and related taxes

As at 30 June 2021 and 31 December 2020, the Manager did not consider that the potential PRC VAT exposure arising from the Sub-fund's accumulated interest income received from PRC non-government bonds from 1 May 2016 to 6 November 2018 (prior to VAT exemption under Circular 108) to be material.

The Manager reviews the relevant PRC tax rules on the PRC debt securities from time to time. Any change in taxation imposed on RQFII is likely to have a subsequent impact on the required provision and accordingly the net assets attributable to unitholders of the Sub-Fund. When the STA issues clarifications, this might ultimately result in either an increase or a decrease in the amount provided. The Manager will always act in the best interest of unitholders and will continually assess the tax provision on an on-going basis.

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

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

In accordance with the provisions of the Trust Deed dated 20 January 2014, as amended, and the Prospectus of the Sub-Fund, investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations.

Redeemable units of the Sub-Fund are classified as equity and they are carried at the price based on the Sub-Fund's net asset value per unit at the reporting date if the unitholder exercised the right to redeem the units in the Sub-Fund.

	As at 30 June 2021 (Unaudited) <i>Units</i>	As at 30 June 2020 (Unaudited) <i>Units</i>
Number of units in issue at the end of the period	3,760,000	1,660,000

	As at 30 June 2021 (Unaudited) <i>RMB</i>	As at 31 December 2020 (Audited) <i>RMB</i>
Net assets attributable to unitholders per unit (per statement of financial position)	102.3849	102.3574

5. NET GAIN ON INVESTMENTS

	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>RMB</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>RMB</i>
Net change in unrealised gain/loss on investments	2,359,441	862,696
Net realised gain on sale of investments	92,281	657,818
	2,451,722	1,520,514

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6. TAXATION

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

PRC withholding income tax

For the period ended 30 June 2021 and 2020, the Sub-Fund had invested in RMB denominated debt securities in PRC. Refer to Note 3 for details.

The taxation of the Sub-Fund for the periods ended 30 June 2021 and 2020 represents:

	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>RMB</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>RMB</i>
Withholding income tax on bank interest income	507	194
Taxation	<u>507</u>	<u>194</u>

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

The following is a summary of significant related party transactions and transactions entered into during the period between the Sub-Fund and the Trustee, the Manager and the Connected Persons of the Manager. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the period ended 30 June 2021 and 2020 between the Sub-Fund and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with the Connected Persons of the Manager except for those disclosed below.

(a) Management fee

The Sub-Fund employs a single management fee structure, with the Sub-Fund paying all of its fees, costs and expense to the Manager. The management fee is currently charged at the rate of 0.49% per annum of the net asset value of the Sub-Fund, accrued daily and calculated as at each dealing day and payable monthly in arrears.

Fees and expenses taken into account in determining the Sub-Fund's management fee include, but are not limited to, the manager's fee, the trustee's fee, the custodian's fee, the PRC custodian's fee, the registrar's fee, the service agent's fee, the fees and expenses of the auditor, service agents, ordinary legal and out-of-pocket expenses incurred by the Trustee or the Manager, and the costs and expenses of licensing indices used in connection with the Sub-Fund. The Manager may also pay a distribution fee to any distributor or sub-distributor of the Sub-Fund out of the management fee. A distributor may re-allocate an amount of the distribution fee to the sub-distributors.

During the period ended 30 June 2021, the Sub-Fund invested in CSOP RMB Money Market ETF, an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund's holding in CSOP RMB Money Market ETF.

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

(b) Trustee fee and Registrar's fee

The Trustee fee and Registrar's fee are included in the management fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee. Refer to Note 7(a).

(c) Financial assets

The investments and bank balances of the Sub-Fund held with related parties of the Trustee are:

	As at 30 June 2021 (Unaudited) <i>RMB</i>	As at 31 December 2020 (Audited) <i>RMB</i>
Investments		
The Hongkong and Shanghai Banking Corporation Limited	4,671,465	3,084,536
HSBC Bank (China) Company Limited	373,860,517	178,711,141
	<u>378,531,982</u>	<u>181,795,677</u>
Bank balances		
The Hongkong and Shanghai Banking Corporation Limited	604,849	228,912
HSBC Bank (China) Company Limited	380,755	352,359
	<u>985,604</u>	<u>581,271</u>

Interest income amounted to RMB6,784(30 June 2020: RMB2,763) was earned on these bank balances for the period ended 30 June 2021.

(d) Holding in the Sub-Fund

As at 30 June 2021 and 31 December 2020, no unit was held by the Trustee, Manager and their connected persons.

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

The other respective amounts paid to the Trustee and its connected persons for the period ended 30 June 2021 and 2020, were as follows:

	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>RMB</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>RMB</i>
Safe custody and bank charges	48,277	33,196
Other operating expenses	50,782	43,815

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8. TRANSACTION COST

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

9. FINANCIAL RISK MANAGEMENT

Effective from 24 June 2019, the objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Bloomberg Barclays China Treasury + Policy Bank Index. Prior to 24 June 2019, the investment objective of the Sub-Fund was to provide investment results that, before of fees and expenses, closely correspond to the performance of the underlying index, namely the ChinaBond 5-year Treasury Bond Index. Effective from 24 June 2019, the Sub-Fund has changed its underlying index from ChinaBond 5-year Treasury Bond Index to Bloomberg Barclays China Treasury + Policy Bank Index. The Sub-Fund's activities may expose it to a variety of risks including but not limited to: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

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

(a) Market risk

(i) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

Prior to 24 June 2019, the Sub-Fund was designated to track the performance of the ChinaBond 5-year Treasury Bond Index. Effective from 24 June 2019, the Sub-Fund has changed its underlying index from ChinaBond 5-year Treasury Bond Index to Bloomberg Barclays China Treasury + Policy Bank Index, therefore the exposures to market risk in the Sub-Fund will be substantially the same as the tracked index in each of the relevant period. The Manager manages the Sub-Fund's exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight, are closely aligned with the characteristics of the tracked index.

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9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

As at 30 June 2021 and 31 December 2020, the Sub-Fund's investments were concentrated in listed investment fund and PRC bonds:

	<u>30 June 2021 (Unaudited)</u>		<u>31 December 2020 (Audited)</u>	
	Fair value <i>RMB</i>	% of net asset value	Fair value <i>RMB</i>	% of net asset value
Listed investment fund:				
Hong Kong	4,671,465	1.21	3,084,536	1.66
Quoted debt securities:				
PRC Government bonds	179,979,382	46.75	81,030,262	43.74
Policy banks bonds	193,881,135	50.37	97,680,879	52.73
	<u>378,531,982</u>	<u>98.33</u>	<u>181,795,677</u>	<u>98.13</u>

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

The Sub-Fund adopts representative sampling strategy and it held 38 out of 304 (31 December 2020: 24 out of 311) constituent investments comprising the Bloomberg Barclays China Treasury + Policy Bank Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the Barclays China Treasury + Policy Bank Index.

Sensitivity analysis in the event of a possible change in the index by 10% as estimated by the Manager

As at 30 June 2021, if the Bloomberg Barclays China Treasury + Policy Bank Index were to increase by 10% with all other variables held constant, this would increase the operating profit for the period by approximately RMB42,518,165. Conversely, if the Bloomberg Barclays China Treasury + Policy Bank Index were to decrease by 10%, this would decrease the operating profit for the year by an equal amount.

As at 31 December 2020, if the Bloomberg Barclays China Treasury + Policy Bank Index were to increase by 10% with all other variables held constant, this would increase the operating profit for the year by approximately RMB17,693,425. Conversely, if the Bloomberg Barclays China Treasury + Policy Bank Index were to decrease by 10%, this would decrease the operating profit for the year by an equal amount.

(ii) Interest rate risk

The Manager manages the Sub-Fund by ensuring that the Sub-Fund replicates the underlying index movements effectively based on market exposures as well as duration risk across the yield curve.

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow.

As at 30 June 2021 and 31 December 2020, the Sub-Fund invests in fixed-income securities and is subject to interest rate risk. Interest rate risk is the risk that the value of the Sub-Fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term fixed income investments and higher for longer term fixed income investments.

As the Sub-Fund invests in PRC bonds, the Sub-Fund is additionally subject to policy risk as changes in macro-economic policies in the PRC (including monetary policy and fiscal policy) may have an influence over the PRC's capital markets and affect the pricing of the bonds in the Sub-Fund's portfolio, which may in turn adversely affect the return of the Sub-Fund. Falling market interest rates can lead to a decline in income for the Sub-Fund.

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

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

As at 30 June 2021

	Maturity up to 1 year <i>RMB</i>	Maturity 1-5 years <i>RMB</i>	Maturity over 5 years <i>RMB</i>	Non- interest bearing <i>RMB</i>	Total <i>RMB</i>
Assets					
Investments	-	201,960,319	171,900,198	4,671,465	378,531,982
Bank interest receivable	-	-	-	391	391
Interest receivable on bonds	-	-	-	5,897,270	5,897,270
Other receivables				7,913	7,913
Bank balances	985,604	-	-	-	985,604
Total assets	<u>985,604</u>	<u>201,960,319</u>	<u>171,900,198</u>	<u>10,577,039</u>	<u>385,423,160</u>
Liabilities					
Management fee payable	-	-	-	131,356	131,356
Other accounts payable	-	-	-	324,706	324,706
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>456,062</u>	<u>456,062</u>
Total interest sensitivity gap	<u>985,604</u>	<u>201,960,319</u>	<u>171,900,198</u>		

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9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

As at 31 December 2020

	Maturity up to 1 year <i>RMB</i>	Maturity 1-5 years <i>RMB</i>	Maturity over 5 years <i>RMB</i>	Non- interest bearing <i>RMB</i>	Total <i>RMB</i>
Assets					
Investments	-	82,093,162	96,617,979	3,084,536	181,795,677
Bank interest receivable	-	-	-	72	72
Interest receivable on bonds	-	-	-	3,275,414	3,275,414
Bank balances	581,271	-	-	-	581,271
Total assets	<u>581,271</u>	<u>82,093,162</u>	<u>96,617,979</u>	<u>6,360,022</u>	<u>185,652,434</u>
Liabilities					
Management fee payable	-	-	-	69,337	69,337
Other accounts payable	-	-	-	316,287	316,287
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>385,624</u>	<u>385,624</u>
Total interest sensitivity gap	<u>581,271</u>	<u>82,093,162</u>	<u>96,617,979</u>		

At 30 June 2021, the Sub-Fund has bank balances of RMB985,604 (31 December 2020: RMB581,271). If the interest rates had been 10 basis points (31 December 2020: 10 basis points) higher or lower with all variables held constant, net assets attributable to unitholders would have been RMB986 (31 December 2020: RMB581) higher or lower as a result of higher or lower interest income.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries. As at 30 June 2021, the Sub-Fund has invested in interest-bearing securities of RMB373,860,517 (31 December 2020: RMB178,711,141) and the portfolio weighted average modified duration of the Sub-Fund is 5.67 (31 December 2020: 5.60).

As at 30 June 2021, should the relevant interest rates have lowered/risen by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the period would amount to approximately RMB21,197,891 (31 December 2020: RMB10,007,824), arising substantially from the increase/decrease in market values of debt securities.

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9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(iii) Currency risk

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

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund.

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

All transactions in PRC bonds are settled or paid for upon delivery using approved and reputable brokers. In addition, the Sub-Fund places bank balances with reputable financial institutions. As such, the Manager does not consider the Sub-Fund to be exposed to significant credit and counterparty risk.

The main concentration to which the Sub-Fund is exposed arises from the Sub-Fund's investments in bond securities and investment funds. The Sub-Fund does not have explicit restrictions on the minimum credit ratings of securities it may hold. The Manager will actively manage the portfolio of the Sub-Fund. In case of credit rating downgrading, the Manager will adjust the positions in the portfolio using its credit analysis and rating systems that are designed to manage credit risks.

The table below summarises the credit rating of the investment portfolio excluding investment funds issued by credit rating agencies:

Portfolio by rating category of RMB denominated bonds:

As at 30 June 2021

Credit rating agency	Rating	RMB	% of NAV
S&P	A+	373,860,517	97.12
		<u>373,860,517</u>	<u>97.12</u>
		<u><u>373,860,517</u></u>	<u><u>97.12</u></u>

The investment funds held by the Sub-Fund of RMB 4,671,465 (31 December 2020: RMB3,084,536) as at 30 June 2021 is not subject to credit rating and do not have credit rating issued by local credit rating agencies. There is no indication to the Manager that the financial assets are impaired as at 30 June 2021.

As at 31 December 2020

Credit rating agency	Rating	RMB	% of NAV
S&P	A+	178,711,141	96.47
		<u>178,711,141</u>	<u>96.47</u>
		<u><u>178,711,141</u></u>	<u><u>96.47</u></u>

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9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

The Manager has assessed the credit quality of the RMB denominated bonds based on the nature of the issuers and the historical information about the issuers' default rates. The Sub-Fund is also exposed to credit and counterparty risk on its investments and bank balances.

The table below summarises the amount of investments and bank balances of the Sub-Fund placed with the counterparties together with the credit rating of the relevant counterparties as at 30 June 2021 and 31 December 2020.

As at 30 June 2021	RMB	Credit rating	Source of credit rating
Investments			
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	4,671,465	A-	S&P
HSBC Bank (China) Company Limited ("HSBC China")	373,860,517	A1	Moody's
Bank balances			
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	604,848	A-	S&P
HSBC Bank (China) Company Limited ("HSBC China")	380,755	A1	Moody's
As at 31 December 2020			
	RMB	Credit rating	Source of credit Rating
Investments			
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	3,084,536	A-	S&P
HSBC Bank (China) Company Limited ("HSBC China")	178,711,141	A1	Moody's
Bank balances			
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	228,912	A-	S&P
HSBC Bank (China) Company Limited ("HSBC China")	352,359	A1	Moody's

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2021 and 31 December 2020, bank interest receivables, interest receivables on bonds and bank balances are held with counterparties with high credit ratings and are due to be settled within 1 month. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund.

The maximum exposure to credit risk as at 30 June 2021 and 31 December 2020 is the carrying amount of the financial assets as shown on the statement of financial position.

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9. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

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

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

The table below analyses the Sub-Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month <i>RMB</i>	1 month to less than 3 months <i>RMB</i>	Over 3 months <i>RMB</i>	Total <i>RMB</i>
As at 30 June 2021				
Management fee payable	131,356	-	-	131,356
Other accounts payable	-	324,706	-	324,706
Contractual cash outflow	<u>131,356</u>	<u>324,706</u>	<u>-</u>	<u>456,062</u>
	Less than 1 month <i>RMB</i>	1 month to less than 3 months <i>RMB</i>	Over 3 months <i>RMB</i>	Total <i>RMB</i>
As at 31 December 2020				
Management fee payable	69,337	-	-	69,337
Other accounts payable	-	316,287	-	316,287
Contractual cash outflow	<u>69,337</u>	<u>316,287</u>	<u>-</u>	<u>385,624</u>

Units are redeemed on demand at the unitholder's option. As at 30 June 2021, there were two unitholders (31 December 2020: two) holding more than 10% of the Sub-Fund's units.

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9. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

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

	Less than 1 month <i>RMB</i>	1 to 12 months <i>RMB</i>	No stated maturity <i>RMB</i>	Total <i>RMB</i>
As at 30 June 2021				
Total assets	385,423,160	-	-	385,423,160
	Less than 1 month <i>RMB</i>	1 to 12 months <i>RMB</i>	No stated maturity <i>RMB</i>	Total <i>RMB</i>
As at 31 December 2020				
Total assets	185,652,434	-	-	185,652,434

(d) Fair value estimation

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Sub Fund can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgment by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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9. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets (by class) measured at fair value at 30 June 2021 and 31 December 2020:

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 30 June 2021				
Assets				
Investments				
- Listed investment fund	4,671,465	-	-	4,671,465
- Debt securities	-	373,860,517	-	373,860,517
Total assets	<u>4,671,465</u>	<u>373,860,517</u>	<u>-</u>	<u>378,531,982</u>
	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 31 December 2020				
Assets				
Investments				
- Listed investment fund	3,084,536	-	-	3,084,536
- Debt securities	-	178,711,141	-	178,711,141
Total assets	<u>3,084,536</u>	<u>178,711,141</u>	<u>-</u>	<u>181,795,677</u>

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

Financial instruments traded in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2, including PRC government bonds, policy banks bonds.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 30 June 2021 and 31 December 2020, the Sub-Fund did not hold any investments classified in level 3.

During the period/year ended 30 June 2021 and 31 December 2020, there were no transfers between levels.

The assets and liabilities included in the condensed statement of financial position, other than investments, are carried at amortised cost; their carrying value are approximation of fair value. There are no other assets and liabilities not carried at fair value but for which fair value is disclosed.

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(e) Capital risk management

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

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

(f) Interest in other entities

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

As at 30 June 2021, the Sub-Fund invested in CSOP RMB Money Market ETF (As at 31 December 2020: CSOP RMB Money Market ETF). The right of the Sub-Fund to request redemption of its investments in CSOP RMB Money Market ETF is on a daily basis.

The Sub-Fund's exposure to investments in CSOP RMB Money Market ETF at fair value is disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

As at 30 June 2021

Strategy	Dealing net asset value of CSOP RMB Money Market ETF <i>RMB</i>	Investment fair value <i>RMB</i>	% of net asset value
7-Day Fixing Repo Rate	176,737,104	4,671,465	1.21

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(f) Interest in other entities (Continued)

As at 31 December 2020

Strategy	Dealing net asset value of CSOP RMB Money Market ETF RMB	Investment fair value RMB	% of net asset value
7-Day Fixing Repo Rate	53,208,232	3,084,536	1.66

The Sub-Fund's maximum exposure to loss from its interests in CSOP RMB Money Market ETF is equal to the total fair value of its investments in CSOP RMB Money Market ETF Fund.

Once the Sub-Fund has disposed of its shares in CSOP RMB Money Market, the Sub-Fund ceases to be exposed to any risk from CSOP RMB Money Market ETF.

As at 30 June 2021 and 31 December 2020, there were no capital commitment obligations and no amounts due to CSOP RMB Money Market ETF and CSOP RMB Money Market ETF and ICBC Credit Suisse RMB Cash Fund for unsettled purchases respectively.

During the period ended 30 June 2021, the total net gain on investments in CSOP RMB Money Market ETF were RMB23,632 (for the year ended 31.12.2020: RMB19,592). For the year ended 31.12.2020 the total net gain on investments in ICBC Credit Suisse RMB Cash Fund were RMB10,492.

10. DISTRIBUTION

	Period from 1 January 2021 to 30 June 2021 (Unaudited) RMB	Period from 1 January 2020 to 30 June 2020 (Unaudited) RMB
RMB0.90 on 1,570,000 units on ex-dividend date 21 January 2021 paid on 27 January 2021	1,413,000	-
RMB0.90 on 3,220,000 units on ex-dividend date 22 April 2021 paid on 28 April 2021	2,898,000	-
RMB0.90 on 1,570,000 units on ex-dividend date 20 January 2020 paid on 24 January 2020	-	1,413,000
RMB0.90 on 1,660,000 units on ex-dividend date 21 April 2020 paid on 27 April 2020	-	1,494,000
Total distributions	4,311,000	2,907,000

11. FINANCIAL INSTRUMENTS BY CATEGORY

As of 30 June 2021 and 31 December 2020, other than investments as disclosed in the financial statements which are classified as the financial assets at fair value through profit or loss, all financial assets including bank interest receivable, interest receivable on bonds and bank balances are categorised as per IFRS 9 and carried at amortised cost. All the financial liabilities of the Sub-Fund are carried at amortised cost.

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

12. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

The SFC Code allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net asset value provided that the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the Index and the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the Index (except as a result of changes in the composition of the Index and the excess is transitional and temporary in nature).

Pursuant to the SFC Code, it allows the Sub-Fund to invest up to 30% of Sub-Fund's total net asset value in Government and other public securities of the same issue. As at 30 June 2021, the Sub-Fund did not invest in (31 December 2020: Nil) government and other public securities that individually accounted for more than 10% but less than 30% of the net asset value of the Sub-Fund.

The Manager and the Trustee have confirmed that the Sub-Fund has complied with this limits during the period/year ended 30 June 2021 and 31 December 2020.

During the period from 1 January 2021 to 30 June 2021, the Bloomberg Barclays China Treasury + Policy Bank Bond Index increased by 2.15% while the net asset value per unit of the Sub-Fund increased by 0.03%.

For the year ended 31 December 2020, the Bloomberg Barclays China Treasury + Policy Bank Index increased by 3.03% while the net asset value per unit of Sub-Fund increased by 2.21% before dividend distribution and decreased by 1.28% after dividend distribution.

During the period ended 30 June 2021, the Sub-Fund paid dividend of RMB1.8 (31 December 2020: RMB3.60) per unit, which represents 1.76% (31 December 2020: 3.52%) to the net asset value per unit as at 30 June 2021. For the details of dividend distribution, refer to Note 10.

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

13. SOFT COMMISSION ARRANGEMENT

The Manager confirms that there have been no soft commission arrangements existing during the period in relation to directing transactions of the Sub-Fund through a broker or dealer.

14. SEGMENT INFORMATION

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

The Manager considers that the Sub-Fund has a single operating segment which is investing in fixed income investments. The objectives of the Sub-Fund are to track the performance of the Bloomberg Barclays China Treasury + Policy Bank Index and invest in substantially the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

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

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund's income is mainly derived from investments in PRC bonds including PRC government bonds and Policy bank bonds which constitute Bloomberg Barclays China Treasury + Policy Bank Index, the tracked index. Effective from 24 June 2019, the Sub-Fund has changed its underlying index from ChinaBond 5-year Treasury Bond Index to Bloomberg Barclays China Treasury + Policy Bank Index.

As at 30 June 2021 and 31 December 2020, the Sub-Fund has no other assets classified as non-current assets. As at 30 June 2021, the Sub-Fund has a diversified portfolio of investments and no (31 December 2020: nil) investment accounts for more than 10% of the Sub-Fund's net asset value.

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2021

	Holdings	Fair value RMB	% of net assets
Investments (98.33%)			
Listed Investment Fund (1.21%)			
Hong Kong (1.21%)			
CSOP RMB MONEY MARKET ETF	30,000	4,671,465	1.21
Total Listed Investment Fund		4,671,465	1.21
Quoted Bonds (97.12%)			
China (97.12%)			
AGRICULTURAL DEVELOPMENT BANK OF CHINA (SER 1813) 3.55% 21/11/2023	10,000,000	10,128,630	2.63
AGRICULTURAL DEVELOPMENT BANK OF CHINA (SER 1907) 3.12% 17/07/2022	10,000,000	10,055,260	2.61
AGRICULTURAL DEVELOPMENT BANK OF CHINA (SER 1908) 3.63% 19/07/2026	10,000,000	10,151,010	2.64
AGRICULTURAL DEVELOPMENT BANK OF CHINA (SER 2008) 3.45% 23/09/2025	10,000,000	10,080,810	2.62
AGRICULTURAL DEVELOPMENT BANK OF CHINA (SER 2010) 3.79% 26/10/2030	10,000,000	10,206,060	2.65
CHINA DEVELOPMENT BANK (SER 1605) 3.8% 25/01/2036	5,000,000	5,063,050	1.32
CHINA DEVELOPMENT BANK (SER 1903) 3.3% 01/02/2024	20,000,000	20,155,040	5.24
CHINA DEVELOPMENT BANK (SER 1904) (REG) 3.68% 26/02/2026	10,000,000	10,175,430	2.64
CHINA DEVELOPMENT BANK (SER 1915) (REG) 3.45% 20/09/2029	10,000,000	9,953,260	2.59
CHINA DEVELOPMENT BANK (SER 2007) 3% 07/08/2023	10,000,000	10,027,800	2.60
CHINA DEVELOPMENT BANK (SER 2008) 2.89% 22/06/2025	6,000,000	5,929,284	1.54
CHINA DEVELOPMENT BANK (SER 2010) 3.09% 18/06/2030	10,000,000	9,675,880	2.51
CHINA DEVELOPMENT BANK 3.65% 21/05/2029	10,000,000	10,099,560	2.62
CHINA DEVELOPMENT BANK SER 1610 3.18% 05/04/2026	10,000,000	9,955,620	2.59
CHINA DEVELOPMENT BANK SER 1805 4.88% 09/02/2028	12,500,000	13,546,338	3.52
CHINA GOVERNMENT BOND (SER 1213) 4.12% 02/08/2042	5,000,000	5,451,560	1.42
CHINA GOVERNMENT BOND (SER 1417) 4.63% 11/08/2034	10,000,000	11,461,190	2.98
CHINA GOVERNMENT BOND (SER 1828) 3.22% 06/12/2025	10,000,000	10,134,410	2.63
CHINA GOVERNMENT BOND (SER 1904) 3.19% 11/04/2024	10,000,000	10,120,870	2.63
CHINA GOVERNMENT BOND (SER 1908) 4% 24/06/2069	4,000,000	4,222,820	1.10
CHINA GOVERNMENT BOND (SER 1911) 2.75% 08/08/2022	10,000,000	10,026,030	2.60
CHINA GOVERNMENT BOND 02/07/2023	10,000,000	9,937,440	2.58
CHINA GOVERNMENT BOND 2.24% 05/03/2023	5,000,000	4,968,865	1.29
CHINA GOVERNMENT BOND 2.85% 04/06/2027	10,000,000	9,898,450	2.57
CHINA GOVERNMENT BOND 2.88% 05/11/2023	30,000,000	30,117,120	7.82

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 30 June 2021

	Holdings	Fair value RMB	% of net assets
Investments (98.33%) (Continued)			
Quoted Bonds (97.12%) (Continued)			
China (97.12%) (Continued)			
CHINA GOVERNMENT BOND 3 .03% 11/03/2026	5,000,000	5,022,810	1.30
CHINA GOVERNMENT BOND 3 .81% 14/09/2050	8,000,000	8,202,912	2.13
CHINA GOVERNMENT BOND 3.02% 22/10/2025	10,000,000	10,041,050	2.61
CHINA GOVERNMENT BOND 3.27% 19/11/2030	10,000,000	10,135,650	2.63
CHINA GOVERNMENT BOND 3.28% 03/12/2027	20,000,000	20,284,220	5.27
CHINA GOVERNMENT BOND 3.39% 16/03/2050	20,000,000	18,960,180	4.93
CHINA GOVERNMENT BOND 3.73% 25/05/2070	1,000,000	993,805	0.26
EXPORT-IMPORT BANK CHINA (SER 1905) 3.28% 11/02/2024	10,000,000	10,068,400	2.62
EXPORT-IMPORT BANK CHINA (SER 1910) 3.86% 20/05/2029	5,000,000	5,118,445	1.33
EXPORT-IMPORT BANK CHINA (SER 2003) 2.17% 07/04/2023	5,000,000	4,945,230	1.28
EXPORT-IMPORT BANK CHINA (SER 2011) 3.74% 16/11/2030	3,000,000	3,050,313	0.79
EXPORT-IMPORT BANK CHINA (SER 2015) 3.43% 23/10/2025	10,000,000	10,070,220	2.62
EXPORT-IMPORT BANK CHINA SER 1810 4.89% 26/03/2028	5,000,000	5,425,495	1.41
Total Quoted Bonds		<u>373,860,517</u>	<u>97.12</u>
Total investments		378,531,982	98.33
Other net assets		<u>6,435,116</u>	<u>1.67</u>
Net assets attributable to unitholders at 30 June 2021		<u><u>384,967,098</u></u>	<u><u>100.00</u></u>
Total investments, at cost		<u><u>375,523,899</u></u>	

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2021

	Holdings				30 June 2021
	1 January 2021	Additions	Corporate actions	Disposals	
Investments					
Listed Investment Fund					
CSOP RMB MONEY MARKET ETF	20,000	40,000	-	30,000	30,000
Quoted Bonds					
AGRICULTURAL DEVELOPMENT BANK OF CHINA (SER 1813) 3.55% 21/11/2023	-	10,000,000	-	-	10,000,000
AGRICULTURAL DEVELOPMENT BANK OF CHINA (SER 1903) 3.2% 03/04/2022	10,000,000	-	-	10,000,000	-
AGRICULTURAL DEVELOPMENT BANK OF CHINA (SER 1907) 3.12% 17/07/2022	10,000,000	-	-	-	10,000,000
AGRICULTURAL DEVELOPMENT BANK OF CHINA (SER 1908) 3.63% 19/07/2026	10,000,000	-	-	-	10,000,000
AGRICULTURAL DEVELOPMENT BANK OF CHINA (SER 2008) 3.45% 23/09/2025	-	10,000,000	-	-	10,000,000
AGRICULTURAL DEVELOPMENT BANK OF CHINA (SER 2010) 3.79% 26/10/2030	-	10,000,000	-	-	10,000,000
CHINA DEVELOPMENT BANK (SER 1605) 3.8% 25/01/2036	-	5,000,000	-	-	5,000,000
CHINA DEVELOPMENT BANK (SER 1903) 3.3% 01/02/2024	15,000,000	5,000,000	-	-	20,000,000
CHINA DEVELOPMENT BANK (SER 1904) 3.68% 26/02/2026	-	10,000,000	-	-	10,000,000
CHINA DEVELOPMENT BANK (SER 1910) 3.65% 21/05/2029	-	10,000,000	-	-	10,000,000
CHINA DEVELOPMENT BANK (SER 1915) (REG) 3.45% 20/09/2029	6,000,000	4,000,000	-	-	10,000,000

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)

For the period ended 30 June 2021

	Holdings				30 June 2021
	1 January 2021	Additions	Corporate actions	Disposals	
Investments (Continued)					
Quoted Bonds (Continued)					
CHINA DEVELOPMENT BANK (SER 2007) (REG) 3% 07/08/2023	-	10,000,000	-	-	10,000,000
CHINA DEVELOPMENT BANK (SER 2008) 2.89% 22/06/2025	4,000,000	2,000,000			6,000,000
CHINA DEVELOPMENT BANK (SER 2010) 3.09% 18/06/2030	15,000,000	5,000,000	-	10,000,000	10,000,000
CHINA DEVELOPMENT BANK SER 1610 3.18% 05/04/2026	10,000,000	-	-	-	10,000,000
CHINA DEVELOPMENT BANK SER 1805 4.88% 09/02/2028	2,500,000	10,000,000	-	-	12,500,000
CHINA GOVERNMENT BOND (SER 1213) 4 .12% 02/08/2042	5,000,000	-	-	-	5,000,000
CHINA GOVERNMENT BOND (SER 1417) 4.63% 11/08/2034	9,000,000	1,000,000	-	-	10,000,000
CHINA GOVERNMENT BOND (SER 1828) (REG) 3 .22% 06/12/2025	2,000,000	8,000,000	-	-	10,000,000
CHINA GOVERNMENT BOND (SER 1904) 3 .19% 11/04/2024	12,000,000	8,000,000	-	10,000,000	10,000,000
CHINA GOVERNMENT BOND (SER 1908) 4 % 24/06/2069	4,000,000	-	-	-	4,000,000

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the period ended 30 June 2021**

	Holdings				
	1 January 2021	Additions	Corporate actions	Disposals	30 June 2021
Investments (Continued)					
Quoted Bonds (Continued)					
CHINA GOVERNMENT BOND (SER 1911) 2.75% 08/08/2022	13,000,000	2,000,000	-	5,000,000	10,000,000
CHINA GOVERNMENT BOND (SER INBK) (REG) 3.27% 19/11/2030	-	10,000,000	-	-	10,000,000
CHINA GOVERNMENT BOND (SER INBK) 2.24% 05/03/2023	5,000,000	-	-	-	5,000,000
CHINA GOVERNMENT BOND 2.85% 04/06/2027	17,000,000	3,000,000	-	10,000,000	10,000,000
CHINA GOVERNMENT BOND (SER INBK) 3.02% 22/10/2025	2,000,000	8,000,000	-	-	10,000,000
CHINA GOVERNMENT BOND (SER INBK) 3.39% 16/03/2050	6,000,000	14,000,000	-	-	20,000,000
CHINA GOVERNMENT BOND 02/07/2023	4,000,000	6,000,000	-	-	10,000,000
CHINA GOVERNMENT BOND 2.88% 05/11/2023	-	30,000,000	-	-	30,000,000
CHINA GOVERNMENT BOND 3.28% 03/12/2027	-	20,000,000	-	-	20,000,000
CHINA GOVERNMENT BOND 3.73% 25/05/2070	1,000,000	-	-	-	1,000,000
CHINA GOVERNMENT BOND 3.81% 14/09/2050	-	8,000,000	-	-	8,000,000
CHINA GOVERNMENT BOND 3.03% 11/03/2026	-	5,000,000	-	-	5,000,000
EXPORT-IMPORT BANK CHINA (SER 1905) 3.28% 11/02/2024	-	10,000,000	-	-	10,000,000
EXPORT-IMPORT BANK CHINA (SER 1910) 3.86% 20/05/2029	5,000,000	-	-	-	5,000,000
EXPORT-IMPORT BANK CHINA (SER 2003) 2.17% 07/04/2023	5,000,000	-	-	-	5,000,000
EXPORT-IMPORT BANK CHINA (SER 2011) 3.74% 16/11/2030	-	3,000,000	-	-	3,000,000
EXPORT-IMPORT BANK CHINA (SER 2015) 3.43% 23/10/2025	-	10,000,000	-	-	10,000,000
EXPORT-IMPORT BANK CHINA SER 1810 4.89% 26/03/2028	5,000,000	-	-	-	5,000,000

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

PERFORMANCE RECORD (Unaudited)

Net asset value

	Dealing net asset value of the Sub-Fund* <i>RMB</i>	Dealing net asset value per unit <i>RMB</i>
At the end of financial period/year dated		
30 June 2021	384,967,098	102.3849
31 December 2020	185,266,810	102.3574
31 December 2019	169,008,083	103.6859
31 December 2018	120,306,948	104.6147

Highest and lowest net asset value per unit

	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
Financial period/year ended		
30 June 2021	102.6822	101.1452
31 December 2020	107.6192	100.8011
31 December 2019	105.1500	101.7786
31 December 2018	104.5966	101.0469
31 December 2017	107.6129	100.9339
31 December 2016	111.0418	106.0150
31 December 2015	110.8911	106.9168
31 December 2014 (since 17 February 2014 (date of inception))	107.8918	102.4495**

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

***Pursuant to the Change of the Trading Board Lot Size and Unit Consolidation Announcement dated 1 August 2014, effective from 1 September 2014, the Management has determined that each of the existing five units in the Sub-Fund be consolidated into one unit. The net assets value per unit disclosed was adjusted to reflect the units consolidation.*

**CSOP BLOOMBERG BARCLAYS CHINA TREASURY + POLICY BANK BOND INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES II)**

MANAGEMENT AND ADMINISTRATION

Manager and RQFII Holder

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

Trustee and Registrar

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

Custodian

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

PRC Custodian

HSBC Bank (China) Company Limited
33rd Floor, HSBC Building
Shanghai ifc, 8 Century Avenue
Pudong, Shanghai, China 200120

Service Agent

HK Conversion Agency Services Limited
2nd floor, Infinitus Plaza
199 Des Voeux Road
Central, Hong Kong

Listing Agent

Oriental Patron Asia Limited
27th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong

Directors of the Manager

Chen Ding
Gaobo Zhang
Xiaosong Yang
Xiuyan Liu
Yi Zhou
Zhiwei Liu
Zhongping Cai

Legal Adviser to the Manager

Simmons & Simmons
30th Floor, One Taikoo Place
979 King's Road
Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
21st Floor Edinburgh Tower
15 Queen's Road Central
Hong Kong



www.csopasset.com

Telephone: (852) 3406 5688

2801-2803, Two Exchange Square, 8 Connaught Place, Central, Hong Kong