



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

CSOP HANG SENG TECH INDEX ETF
Stock Codes: 3033
(A sub-fund of CSOP ETF Series)

Reports and Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2022



**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

CONTENTS

	Page
Report of the Manager to the Unitholders	1
Report of the Trustee to the Unitholders	2
Statement of Responsibilities of the Manager and the Trustee	3
Independent Auditor's Report	4 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Net Assets Attributable to Unitholders	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 29
Investment Portfolio (Unaudited)	30 - 31
Statement of Movements in Investment Portfolio (Unaudited)	32
Details of Security Lending Arrangements (Unaudited)	33 - 37
Holding of Collateral (Unaudited)	38 - 39
Performance Record (Unaudited)	40
Management and Administration	41

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The CSOP Hang Seng TECH Index ETF, a sub-fund of the CSOP ETF Series, is a unit trust authorised under the Securities and Futures Ordinance (Cap. 571) of Hong Kong. It was launched on 27 August 2020 and commenced trading in HKD under the stock code 3033 on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 28 August 2020. The CSOP Hang Seng TECH Index ETF is benchmarked against the Hang Seng TECH Index and adopts a full replication strategy. The Manager of the CSOP Hang Seng TECH Index ETF is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The CSOP Hang Seng TECH Index ETF is a physical ETF which invests in the top 30 Hong Kong-listed top technology or innovative companies that permeated each aspect of our life.

The Hang Seng TECH Index (the “Index”) is compiled and published by Hang Seng Indexes Company Limited. It represents the 30 largest technology companies listed in Hong Kong that have high business exposure to technology themes and pass the index's screening criteria. The Index operates under clearly defined rules published by the index provider and is a tradable index.

Fund Performance

The CSOP Hang Seng TECH Index ETF seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As of 30 December 2022, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng TECH Index ETF was HKD4.0679 and there were 5,148,400,200 units outstanding. The dealing NAV of its unlisted class A was HKD4.0515 and there were 1,578 units outstanding. The total asset under management was approximately HKD20.9 billion.

As of 30 December 2022, the dealing NAV of CSOP Hang Seng TECH Index ETF performed -27.42%. The dealing NAV of its unlisted class A performed -27.67%. The Index performed -26.67%. The difference in performance between the NAV of the CSOP Hang Seng TECH Index ETF and the Index is mainly attributed to dividends, fees and expenses including tax on dividends and distributions to unitholders.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of the CSOP Hang Seng Tech Index ETF (the “Sub-Fund”), a sub-fund of CSOP ETF Series, has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 25 July 2012, as amended, for the year ended 31 December 2022.

HSBC Institutional Trust Services (Asia) Limited
27 April 2023

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER'S RESPONSIBILITIES

The Manager of the CSOP Hang Seng Tech Index ETF (the "Sub-Fund"), a sub-fund of CSOP ETF Series, is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed dated 25 July 2012, as amended, (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of the period and of the transactions for the year ended 31 December 2022. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Sub-Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

CSOP ETF Series (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 December 2022, the Trust has established eleven sub-funds, namely, CSOP Hang Seng Tech Index ETF (the "Sub-Fund"), CSOP FTSE China A50 ETF, CSOP SZSE ChiNext ETF, CSOP MSCI China A Inclusion Index ETF, ICBC CSOP S&P New China Sectors ETF, CSOP Hong Kong Dollar Money Market ETF, CSOP US Dollar Money Market ETF, CSOP CSI 500 ETF, CSOP Yinhuo CSI 5G Communications Theme ETF, CSOP Bitcoin Futures ETF and CSOP Ether Futures ETF. CSOP Bitcoin Futures ETF and CSOP Ether Futures ETF were inceptioned on 14 December 2022. CSOP MSCI China A Inclusion Index ETF was terminated on 24 March 2023.

TRUSTEE'S RESPONSIBILITIES

The Trustee of the Sub-Fund is required to:

- ensure that the Sub-Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not managing the Sub-Fund in accordance to the Trust Deed.

**INDEPENDENT AUDITOR’S REPORT
TO THE UNITHOLDERS OF CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES, AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG
KONG)**

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of CSOP Hang Seng TECH Index ETF (the “Sub-Fund”), which are set out on pages 8 to 29, comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2022, and of its financial transactions and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Sub-Fund in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITOR’S REPORT
TO THE UNITHOLDERS OF CSOP HANG SENG TECH INDEX ETF (CONTINUED)
(A SUB-FUND OF CSOP ETF SERIES, AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG KONG)**

Key Audit Matters (Continued)

Key audit matters identified in our audit are summarised as follows:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><u>Existence and valuation of investments</u></p> <p>The Sub-Fund’s investments as at 31 December 2022 mainly comprised of listed equities of companies in Hong Kong valued at HKD21,124,577,919.</p> <p>We focused on the existence and valuation of the investments because the investments represented the principal element of the Sub-Fund’s net assets attributable to unitholders as at 31 December 2022.</p> <p>Refer to note 10 to the financial statements.</p>	<p>Our work included an assessment of the key controls over the existence and valuation of the investments, which included the following:</p> <ul style="list-style-type: none"> • We developed an understanding of the control objectives and related controls relevant to our audit of the Sub-Fund by obtaining the service organisation internal control reports provided by the trustee setting out the controls in place, and the independent service auditor’s assurance report over the design and operating effectiveness of those controls. • We evaluated the tests undertaken by the service auditor, the results of the tests undertaken and the opinions formed by the service auditor on the design and operating effectiveness of the controls, to the extent relevant to our audit of the Sub-Fund. <p>We tested the existence of investments by obtaining direct confirmations from the custodians and agreeing the Sub-Fund’s holdings of investments to the confirmations.</p> <p>We tested the valuation of the Sub-Fund’s investments by comparing the pricing used by the Sub-Fund to external pricing sources as at 31 December 2022.</p> <p>Based on the procedures we performed, we found no material exceptions from our testing.</p>

Other Information

The manager and the trustee (the “Management”) of the Sub-Fund is responsible for the other information. The other information comprises all of 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP HANG SENG TECH INDEX ETF (CONTINUED)
(A SUB-FUND OF CSOP ETF SERIES, AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG
KONG)**

Responsibilities of Management for the Financial Statements

The Management of the Sub-Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines 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 Management of the Sub-Fund is responsible for assessing the Sub-Fund's 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 Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 25 July 2012, as amended ("Trust Deed") and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion 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 HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR’S REPORT
TO THE UNITHOLDERS OF CSOP HANG SENG TECH INDEX ETF (CONTINUED)
(A SUB-FUND OF CSOP ETF SERIES, AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG
KONG)**

Auditor’s Responsibilities for the Audit of the Financial Statements (Continued)

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Josephine W.T. Kwan.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 April 2023

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<i>Notes</i>	2022 <i>HKD</i>	2021 <i>HKD</i>
ASSETS			
CURRENT ASSETS			
Investments	<i>8(c), 10(a), 10(d)</i>	21,124,577,919	13,609,967,757
Amounts due from brokers		141,627,799	-
Amounts due from participating dealers		201,299,308	149,236,750
Interest receivables		889	-
Other receivable		2,492,694	407,940
Cash and cash equivalents	<i>8(c)</i>	33,135,851	17,712,199
Total assets		<u>21,503,134,460</u>	<u>13,777,324,646</u>
LIABILITIES			
CURRENT LIABILITIES			
Amounts due to brokers		342,939,830	149,076,900
Management fee payable	<i>8(a), (b)</i>	18,333,096	10,894,080
Other accounts payable		6,572,629	2,473,887
Liabilities (excluding net assets attributable to unitholders)		<u>367,845,555</u>	<u>162,444,867</u>
Net assets attributable to unitholders as reported in the statement of financial position	<i>3</i>	<u>21,135,288,905</u>	<u>13,614,879,779</u>
- Adjustments for unamortised establishment costs		803,538	1,105,901
Net assets value in accordance with the Trust's Prospectus	<i>3</i>	<u><u>21,136,092,443</u></u>	<u><u>13,615,985,680</u></u>

The financial statements on pages 8 to 29 were approved by the Trustee and the Manager on [Date] and were signed on their behalf.

For and on behalf of

For and on behalf of

CSOP Asset Management Limited
Limited
as the Manager

HSBC Institutional Trust Services (Asia)
as the Trustee

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

CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

		Year ended 31 December 2022	Period from 27 August 2020 (date of inception) to 31 December 2021
	<i>Notes</i>	<i>HKD</i>	<i>HKD</i>
INCOME			
Dividend income		125,877,759	37,918,570
Interest income	8(c)	44,462	249
Security lending income	8(g)	18,488,626	11,994,064
Net loss on investments	5	(3,189,198,350)	(3,916,066,014)
Net foreign currency (loss)/gain		(57,504)	4,364
Other income		10,733	27,319,443
		<hr/>	<hr/>
Total net loss		(3,044,834,274)	(3,838,829,324)
		<hr/>	<hr/>
EXPENSES			
Management fee	8(a), (b)	(166,254,697)	(113,122,005)
Management fee for security lending activities	8(g)	(4,278,310)	(2,387,241)
Transaction costs on investments		(11,584,887)	(23,494,739)
Audit fee		(784,785)	(399,402)
Safe custody and bank charges		(200)	(310)
Legal and other professional fee		(7,800)	(98,867)
Establishment costs		-	(1,534,650)
Other operating expenses	8(e)	(8,165,524)	(5,729,509)
		<hr/>	<hr/>
Total operating expenses		(191,076,203)	(146,766,723)
		<hr/>	<hr/>
Operating loss		(3,235,910,477)	(3,985,596,047)
Taxation	6	(1,633,847)	(524,735)
		<hr/>	<hr/>
Decrease in net assets attributable to unitholders		(3,237,544,324)	(3,986,120,782)
		<hr/> <hr/>	<hr/> <hr/>

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

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2022

	<i>Note</i>	Year ended 31 December 2022 <i>HKD</i>	Period from 27 August 2020 (date of inception) to 31 December 2021 <i>HKD</i>
Net assets attributable to unitholders at the beginning of the year/period		13,614,879,779	-
Proceeds on issue of units	3		
- In-kind subscription	7	50,747,244,549	18,991,900,563
- Cash component and cash subscription		236,961,501	3,342,488,048
Payments on redemption of units	3		
- In-kind redemption	7	(40,061,398,794)	(4,581,886,602)
- Cash component and cash redemption		(164,853,806)	(151,501,448)
Net increase from unit transactions		10,757,953,450	17,601,000,561
Decrease in net assets attributable to unitholders		(3,237,544,324)	(3,986,120,782)
Net assets attributable to unitholders at the end of the year/period		21,135,288,905	13,614,879,779

The movements of the redeemable units for the year ended 31 December 2022 and period from 27 August 2020 (date of inception) to 31 December 2021 are as follows:

	Year ended 31 December 2022 Units	Period from 27 August 2020 (date of inception) to 31 December 2021 Units
Listed class		
Number of units in issue at the beginning of the year/period	2,429,400,200	-
Units issued	12,642,500,000	3,118,900,200
Units redeemed	(9,876,500,000)	(689,500,000)
Number of units in issue at the end of the year/period	5,195,400,200	2,429,400,200
Unlisted class A		
Number of units in issue at the beginning of the year/period	1,578	-
Units issued	-	1,578
Number of units in issue at the end of the year/period	1,578	1,578

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

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Year ended 31 December 2022 <i>HKD</i>	Period from 27 August 2020 (date of inception) to 31 December 2021 <i>HKD</i>
OPERATING ACTIVITIES		
Payments for purchase of investments	(55,927,367,980)	(27,642,082,652)
Proceeds from sale of investments	55,961,640,354	24,675,139,742
Dividend income received	124,243,912	37,393,835
Interest received	43,573	249
Security lending income received	16,403,872	11,586,124
Other income received	10,733	27,319,443
Management fee paid	(158,815,681)	(102,227,925)
Transactions costs paid	(11,584,887)	(23,494,739)
Other operating expenses paid	(9,137,877)	(7,676,092)
Net cash used in operating activities	<u>(4,563,981)</u>	<u>(3,024,042,015)</u>
FINANCING ACTIVITIES		
Proceeds on issue of units	184,898,943	3,193,251,298
Payments on redemption of units	(164,853,806)	(151,501,448)
Net cash generated from financing activities	<u>20,045,137</u>	<u>3,041,749,850</u>
Net increase in cash and cash equivalents	15,481,156	17,707,835
Cash and cash equivalents at the beginning of the year/period	17,712,199	-
Foreign currency (loss)/gain on cash and cash equivalents	(57,504)	4,364
Cash and cash equivalents at the end of the year/period	<u>33,135,851</u>	<u>17,712,199</u>
Analysis of balances of cash and cash equivalents		
Bank balances	<u>33,135,851</u>	<u>17,712,199</u>

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

CSOP HANG SENG TECH INDEX ETF (A SUB-FUND OF CSOP ETF SERIES)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP ETF Series (the “Trust”) is an umbrella unit trust governed by its trust deed dated 25 July 2012, 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 31 December 2022, the Trust has eleven sub-funds which are CSOP Hang Seng Tech Index ETF (the “Sub-Fund”), CSOP FTSE China A50 ETF, CSOP SZSE ChiNext ETF, CSOP MSCI China A Inclusion Index ETF, ICBC CSOP S&P New China Sectors ETF, CSOP Hong Kong Dollar Money Market ETF, CSOP US Dollar Money Market ETF, CSOP CSI 500 ETF, CSOP Yinhuahua CSI 5G Communications Theme ETF, CSOP Bitcoin Futures ETF and CSOP Ether Futures ETF. CSOP Bitcoin Futures ETF and CSOP Ether Futures ETF were incepted on 14 December 2022. CSOP MSCI China A Inclusion Index ETF was terminated on 24 March 2023. The date of inception of the Sub-Fund was 27 August 2020. 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.

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the underlying index, namely, Hang Seng TECH Index (the “Underlying Index”). In order to achieve the investment objective of the Sub-Fund, the Manager will adopt a full replication strategy by directly investing all, or substantially all, of the assets of the Sub-Fund in index securities constituting the Underlying Index in substantially the same weightings (i.e. proportions) as these index securities have in the Underlying Index. The Manager may also use a representative sampling strategy in exceptional circumstances.

The Sub-Fund has been using Hang Seng TECH Index as its underlying index.

These financial statements are prepared for the Sub-Fund only. The financial statements for CSOP FTSE China A50 ETF, CSOP SZSE ChiNext ETF, CSOP MSCI China A Inclusion Index ETF, ICBC CSOP S&P New China Sectors ETF, CSOP Hong Kong Dollar Money Market ETF, CSOP US Dollar Money Market ETF, CSOP CSI 500 ETF and CSOP Yinhuahua CSI 5G Communications Theme ETF have been prepared separately. CSOP Bitcoin Futures ETF and CSOP Ether Futures ETF were incepted on 14 December 2022 with the first financial statements issued for the period from 14 December 2022 (date of inception) to 31 December 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Trustee and the Manager (together the “Management”) to exercise their judgment in the process of applying the Sub-Fund’s accounting policies.

Standards and amendments to existing standards effective 1 January 2022

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

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

New standards, amendments and interpretations effective after 1 January 2022 that are relevant to the Sub-Fund and have not been early adopted by the Sub-Fund

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Fund.

(b) Financial instruments

(i) Classification

The Sub-Fund classifies its investments based on both the Sub-Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

(ii) Recognition/derecognition

Purchases and sales of investments are accounted for on the trade date basis - the date on which the Sub-Fund commits to purchase or sell the investments. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Investments are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, all investments are measured at fair value. Realised and unrealised gains and losses on investments are recognised in the statement of comprehensive income in the year in which they arise.

(iv) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Sub-Fund utilises the last traded market price for both listed financial assets and liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets that are not traded in an active market (for example, over-the-counter derivatives) is determined by using broker quotes or valuation techniques.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

(v) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

(c) Changes to presentation and comparative information

When the presentation or classification of items in the financial statements is amended, comparative amounts have been updated to conform with the current year's presentation or classification.

(d) Amounts due from participating dealers/brokers

Amounts due from participating dealers represent the subscription receivable from the participating dealers at the end of the reporting year. The amounts are non-interest bearing and repayable on demand.

Amounts due from brokers represent receivables for securities sold that have been contracted for but not yet settled on the statement of financial position date.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Sub-Fund shall measure the loss allowance on amounts due from participating dealers/brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the participating dealers/brokers, probability that the participating dealers/brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by Management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(e) Amounts due to participating dealers/brokers

Amounts due to participating dealers represent the redemption payable to the participating dealers at the end of the reporting year. The amounts are non-interest bearing and repayable on demand.

Amounts due to brokers represent payables for securities purchased that have been contracted for but not yet delivered on the statement of financial position date.

These amounts are recognised initially at fair value and subsequently measured at amortised cost.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Securities lending

Securities on loan are included in the investment portfolio of the Sub-Fund as the Sub-Fund is entitled to the interest income from cash and equities on loan and retain substantially all the risks and rewards. Relevant securities lending income received by the Sub-Fund is included in security lending income in the statement of comprehensive income.

Collateral received for the purpose of securities on loan generally consists of fixed income securities collateral. Fixed income securities collateral received is treated as an off-balance sheet transaction and is therefore not included in the statement of financial position because the Sub-Fund is not entitled to the interest income from the fixed income securities collateral and do not retain substantially all the risks and rewards. Interest received from fixed income securities collateral is paid to the counterparty that provides the collateral to the Sub-Fund.

(g) Dividend income and interest income

Dividend income is recorded on the ex-dividend date with the corresponding foreign withholding taxes recorded as an expense.

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

(h) Distributions to unitholders

Distributions to unitholders are recognised in the statement of changes in net assets attributable to unitholders when they are approved by the Manager at discretion. Distributions to unitholders are recognised as distributions in the statement of changes in net assets attributable to unitholders.

(i) Other income/expenses

Other income/expense mainly represents the difference between the proceeds received from/paid to participating dealers and cost of investment purchased/sold.

(j) Transactions costs on investments

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, brokers and dealers. Transactions costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

(k) Expenses

Expenses are accounted for on an accrual basis.

(l) Cash component

Cash issue component represents the amount being equal to the difference between the issue price on the relevant transaction date and the value of the securities exchanged in kind for those units.

Cash redemption component represents the amount being equal to the difference between the redemption value on the relevant transaction date on which such units are redeemed and the value of securities transferred in kind to the redeeming unitholder in respect of such units.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank, demand deposits, other short-term highly liquid investments with original maturities of three months or less.

(n) Foreign currencies translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the “functional currency”). The Sub-Fund invests in Hong Kong (“HK”) stocks and the performance of the Sub-Fund is measured and reported to the unitholders in Hong Kong Dollar (“HKD”). The Manager considers HKD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in HKD, which is the Sub-Fund’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net gain/(loss) on investments”.

(o) Redeemable units

The Sub-Fund issues redeemable units, which are redeemable at the holder’s option. These units represent puttable financial instruments of the Sub-Fund.

The Sub-Fund currently offers both listed classes of units and unlisted classes of units. There are currently two classes of units namely, listed class and unlisted class A. As at 31 December 2022 and 2021, the Sub-Fund has issued listed class of units and one unlisted class of units namely, listed class and unlisted class A which have different terms and conditions as set out in the Sub-Fund’s Prospectus, including dealing arrangements, fee structure and investment return/net asset value. As the different class of units do not have identical features, they are classified as financial liabilities. Listed class units can be redeemed in-kind and/or in cash equal to a proportionate share of the respective Sub-Fund’s net asset value.

Units are issued and redeemed at the holder’s option at prices based on the Sub-Fund’s net asset value per unit at the time of issue or redemption. The Sub-Fund’s net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

In accordance with the Prospectus of the Sub-Fund, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for subscriptions and redemptions of the Sub-Fund.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Taxation

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

The Sub-Fund may incur withholding taxes imposed by other jurisdictions on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included as taxation in the statement of comprehensive income.

(q) Establishment costs

Establishment costs are recognised as an expense in the year in which they are incurred.

3. 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 statement of financial position. The listed class units can be issued and redeemed in-kind and/or in cash. Subscriptions and redemptions of units during the period are shown in the statement of changes in net assets attributable to unitholders. In order to achieve the investment objective, 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 25 July 2012, 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.

As stated in Note 2(o), redeemable units of the Sub-Fund are classified as financial liabilities and they are carried at the price based on the Sub-Fund's net asset value per unit at the reporting date if the unitholders exercised the right to redeem the units in the Sub-Fund.

	As at 31 December 2022		As at 31 December 2021	
	Listed class <i>Units</i>	Unlisted Class A <i>Units</i>	Listed class <i>Units</i>	Unlisted Class A <i>Units</i>
Number of units in issue	<u>5,195,400,200</u>	<u>1,578</u>	<u>2,429,400,200</u>	<u>1,578</u>

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

3. NUMBER OF UNITS IN ISSUE AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT (Continued)

	As at 31 December 2022		As at 31 December 2021	
	Listed class <i>HKD</i>	Unlisted Class A <i>HKD</i>	Listed class <i>HKD</i>	Unlisted Class A <i>HKD</i>
Net assets attributable to unitholders per unit as at 31 December (per statement of financial position)	4.0681	4.0517	5.6042	5.6014

As stated in Note 2(q), establishment costs are expensed as incurred. However, in accordance with the provisions of the Trust's Prospectus, establishment costs are recognised using the amortisation method. As at 31 December 2022 and 2021, the expensing of establishment costs as stated in the financial statements resulted in decrease of net assets attributable to unitholders of HKD803,538 (for the period from 27 August 2020 (date of inception) to 31 December 2021: HKD1,105,901) as stated in the financial statements when compared with the methodology indicated in the Trust's Prospectus and the amount HKD803,538 (for the period from 27 August 2020 (date of inception) to 31 December 2021: HKD1,105,901) is unamortised with remaining 3 years 8 months of amortisation (2021: 4 years 8 months).

	31 December 2022 <i>HKD</i>	31 December 2021 <i>HKD</i>
Net assets attributable to unitholders as reported in the statement of financial position	21,135,288,905	13,614,879,779
- Adjustments for unamortised establishment costs	803,538	1,105,901
Net assets value in accordance with the Trust's Prospectus	<u>21,136,092,443</u>	<u>13,615,985,680</u>

4. SECURITIES LENDING TRANSACTIONS

The Manager may enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of the Sub-Fund's Net Asset Value. As part of the securities lending transactions, the Sub-Fund must receive cash and/or non-cash collateral of 100% of the value of the securities lent.

The collateral will be marked-to-market on a daily basis and be safe kept by the Trustee or an agent appointed by the Trustee (Refer to Note 10(b)). Security lending income and expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

5. NET LOSS ON INVESTMENTS

	Year ended 31 December 2022 <i>HKD</i>	Period from 27 August 2020 (date of inception) to 31 December 2021 <i>HKD</i>
Net change in unrealised gain/loss in value of investments	4,372,569,413	(3,457,467,262)
Net realised loss on sale of investments	(7,561,767,763)	(458,598,752)
	<u>(3,189,198,350)</u>	<u>(3,916,066,014)</u>

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

6. TAXATION

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

The taxation of the Sub-Fund for the year ended 31 December 2022 and period from 27 August 2020 (date of inception) to 31 December 2021 represents:

	Year ended 31 December 2022 <i>HKD</i>	Period from 27 August 2020 (date of inception) to 31 December 2021 <i>HKD</i>
Withholding tax on dividend income	1,633,847	524,735
	<u>1,633,847</u>	<u>524,735</u>

7. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2022 and period from 27 August 2020 (date of inception) to 31 December 2021, the Sub-Fund issued units in exchange for Baskets consisting of investments valued at HKD50,747,244,549 (for the period from 27 August 2020 (date of inception) to 31 December 2021: HKD18,991,900,563) and redeemed units in exchange for Baskets consisting of investments valued at HKD40,061,398,794 (for the period from 27 August 2020 (date of inception) to 31 December 2021: HKD4,581,886,602). “Basket” means, the portfolio of securities determined by the Manager on the relevant dealing day for the purpose of the creation and redemption of such units in an application unit size.

8. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

The following is a summary of significant related party transactions and transactions entered into during the year/period between the Sub-Fund and its related parties including the Trustee/Custodian, the Manager and their Connected Persons. Connected Persons 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 year ended 31 December 2022 and period from 27 August 2020 (date of inception) to 31 December 2021, between the Sub-Fund and its Connected Persons were carried out in the normal course of business and on ordinary commercial terms. To the best of the Manager’s knowledge, the Sub-Fund does not have any other transactions with the Connected Persons except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee, currently at the rate of 0.99% 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.

(b) Trustee fee and registrar’s fee

The management fee is inclusive of the trustee’s and registrar’s fee and the Manager will pay the fees of the trustee and the registrar out of the management fee.

The Trustee shall also be entitled to be reimbursed out of the assets of the Sub-Fund all out-of-pocket expenses incurred.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

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

(c) Financial assets

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

	As at 31 December 2022 <i>HKD</i>	As at 31 December 2021 <i>HKD</i>
Investments		
The Hongkong and Shanghai Banking Corporation Limited	21,124,577,919	13,609,967,757
	<u>21,124,577,919</u>	<u>13,609,967,757</u>
Bank balances		
The Hongkong and Shanghai Banking Corporation Limited	33,135,851	17,712,199
	<u>33,135,851</u>	<u>17,712,199</u>

Interest income amounting to HKD44,462 (for the period from 27 August 2020 (date of inception) to 31 December 2021: HKD249) was earned on this bank balances placed with the connected person of the Trustee for the year ended 31 December 2022.

(d) Manager's holding in the Sub-Fund

The Manager of the Sub-Fund holds 2,036,000 (2021: 2,036,000) units of listed class and 1,578 (2021: 1,578) units of unlisted class A, which represents 0.04% (2021: 0.08%) and 100.00% (2021: 100.00%) of the net asset value of listed class units and unlisted class A units of the Sub-Fund respectively as at 31 December 2022 and 2021.

(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 year ended 31 December 2022 and period from 27 August 2020 (date of inception) to 31 December 2021 was as follows:

	Year ended 31 December 2022 <i>HKD</i>	Period from 27 August 2020 (date of inception) to 31 December 2021 <i>HKD</i>
Other operating expenses	170,409	199,350

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

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

(f) Security Lending Arrangement

For the year ended 31 December 2022 and period from 27 August 2020 (date of inception) to 31 December 2021, the Sub-Fund put in place a securities lending arrangement with a related party of the Trustee (i.e. HSBC Bank Plc) as a security lending agent. The details of such transactions are as follows:

	Year ended 31 December 2022 <i>HKD</i>	Period from 27 August 2020 (date of inception) to 31 December 2021 <i>HKD</i>
Aggregate securities lending transactions through HSBC Bank Plc	7,390,952,961	9,555,762,103
	<u>7,390,952,961</u>	<u>9,555,762,103</u>

(g) Management fee charged by the manager relating to security lending activities

For the year ended 31 December 2022, total income received from security lending activities was HKD18,488,626 (period from 27 August 2020 (date of inception) to 31 December 2021: HKD11,994,064) while management fee amounting to HKD4,278,310 (period from 27 August 2020 (date of inception) to 31 December 2021: HKD2,387,241) was charged by the Manager to establish and maintain the security lending activities under agreement.

(h) Investment transactions and brokerage commission

For the year ended 31 December 2022 and period from 27 August 2020 (date of inception) to 31 December 2021, transactions through the connected persons of the Trustee for its brokerage services are set out below:

	Aggregate value of purchase and sale of investments <i>HKD</i>	% of the Sub- Fund's total aggregate value of transactions during the year/period %	Brokerage commission paid <i>HKD</i>	Average rate of commission %
2022	2,392,530,811	2.36%	-	-
2021	112,651,060	0.30%	-	-

9. TRANSACTION COSTS

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.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

10. FINANCIAL RISK MANAGEMENT

The objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Hang Seng TECH 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.

The Sub-Fund is designated to track the performance of the Hang Seng TECH Index, therefore the exposures to market risk in the Sub-Fund will be substantially the same as the tracked index. For the year ended 31 December 2022 and period from 27 August 2020 (date of inception) to 31 December 2021, the Manager manages the Sub-Fund's exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned with the characteristics of the tracked index.

As at 31 December 2022 and 2021, the Sub-Fund's investments were concentrated in the following industries:

	2022		2021	
	Fair value <i>HKD</i>	% of net asset value	Fair value <i>HKD</i>	% of net asset value
Listed equities in HK – by industry				
Consumer Discretionary	6,364,047,612	30.12	3,694,968,710	27.14
Consumer Staples	1,489,878,572	7.05	787,242,338	5.78
Financials	236,350,059	1.12	150,529,660	1.11
Health Care	138,250,100	0.65	75,535,740	0.55
Technology	10,985,560,925	51.97	7,584,950,794	55.71
Telecommunications	1,910,490,651	9.04	1,316,740,515	9.67
	21,124,577,919	99.95	13,609,967,757	99.96

The Sub-Fund held 30 out of 30 (2021: 30 out of 30) constituent securities comprising the Hang Seng TECH Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the Hang Seng TECH Index.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

10. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

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

As at 31 December 2022 and 2021, if the Hang Seng TECH Index were to increase by 20% (2021: 20%) with all other variables held constant, this would increase the operating profit for the year by approximately HKD4,218,498,969 (2021: HKD2,719,214,354). Conversely, if the Hang Seng TECH Index were to decrease by 20% (2021: 20%), this would decrease the operating profit for the year by an equal amount.

(ii) Interest rate risk

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 31 December 2022 and 2021, interest rate risk arises from bank balances. As the bank balances held by the Sub-Fund is short term in nature and interest arising from these interest bearing assets are immaterial, the Manager considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. As a result, the Manager considers sensitivity analysis of interest rate risk is not necessary to be presented.

(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 HKD, the Sub-Fund's functional and presentation currency. As a result, the Manager 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 listed securities 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.

As at 31 December 2022 and 2021, the Sub-Fund placed bank balances of HKD33,135,851 (2021: HKD17,712,199) and investments of HKD21,124,577,919 (2021: HKD13,609,967,757) with The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), which is the custody of the Sub-Fund. As at 31 December 2022 and 2021, the credit ratings of the Sub-Fund's custodian are at or above investment grade.

As at 31 December 2022 and 2021, collateral securities of HKD1,965,663,670 (2021: HKD1,635,380,430) was held by JP Morgan Bank Luxembourg S.A as custodian of collateral securities received for Security lending transactions. As at 31 December 2022 and 2021, the credit ratings of the Sub-Fund's custodians of collateral securities are at or above investment grade.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

10. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

The table below categorised the securities on loan by collateral providers. As at 31 December 2022 and 2021, the fair value of collateral and securities on loan are as follow:

As at 31 December 2022

Collateral provider	Fair value of collateral* <i>HKD</i>	Securities on loan <i>HKD</i>
BNP Paribas Arbitrage London/Paris	93,739,590	89,227,095
Citigroup Global Markets Ltd	82,094,789	78,297,649
Credit Suisse AG Singapore Branch	118,065,628	107,162,068
HSBC Bank Plc	22,730,280	21,633,769
JP Morgan Secs Plc	74,506,966	70,988,678
Merrill Lynch International	965,894,565	919,924,375
Mizuho Securities Co Ltd	36,873,414	35,030,000
Natixis	181,540,327	172,958,040
The Hongkong and Shanghai Banking Corporation Limited	210,071,604	200,237,500
UBS AG	180,146,507	171,729,708
	<u>1,965,663,670</u>	<u>1,867,188,882</u>

As at 31 December 2021

Collateral provider	Fair value of collateral* <i>HKD</i>	Securities on loan <i>HKD</i>
Credit Suisse AG Dublin Branch	13,083,335	12,050,733
Credit Suisse AG Singapore Branch	225,785,167	207,316,084
HSBC Bank Plc	105,575,079	100,494,047
JP Morgan Secs Plc	140,645,405	133,879,512
Macquarie Bank Ltd	172,280,319	164,166,758
Mizuho Securities Co Ltd	62,679,443	59,648,234
Natixis	39,662,429	37,750,000
The Hongkong and Shanghai Banking Corporation Limited	365,673,169	348,465,000
UBS AG	509,996,084	463,338,686
	<u>1,635,380,430</u>	<u>1,527,109,054</u>

*Collaterals were received for security lending. As at 31 December 2022 and 2021, collaterals included government bonds. The credit ratings of government bonds are at or above investment grade.

As at 31 December 2022 and 2021, the credit ratings of the counterparties are at or above investment grade.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

10. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. As at 31 December 2022 and 2021, amounts due from brokers, amounts due from participating dealers, interest receivables and cash and cash equivalents 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 31 December 2022 and 2021 is the carrying amount of the financial assets as shown on the statement of financial position.

(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>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Amounts due to brokers	342,939,830	-	-	342,939,830
Management fee payable	18,333,096	-	-	18,333,096
Other accounts payable	11,800	-	6,560,829	6,572,629
Net asset attributable to unitholders	21,136,092,443	-	-	21,136,092,443
Contractual cash outflow	21,497,377,169	-	6,560,829	21,503,937,998

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

10. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

	Less than 1 month <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2021				
Amounts due to brokers	149,076,900	-	-	149,076,900
Management fee payable	10,894,080	-	-	10,894,080
Other accounts payable	6,700	-	2,467,187	2,473,887
Net asset attributable to unitholders	13,615,985,680	-	-	13,615,985,680
Contractual cash outflow	13,775,963,360	-	2,467,187	13,778,430,547

Units are redeemed on demand at the unitholder's option. As at 31 December 2022 and 2021, there were four (2021: two) unitholders holding more than 10% of the listed class of Sub-Fund's units.

The Sub-Fund manages its liquidity risk by investing in securities 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>HKD</i>	1 to 12 months <i>HKD</i>	No stated maturity <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Total assets	21,503,133,571	889	-	21,503,134,460
As at 31 December 2021				
Total assets	13,777,265,192	59,454	-	13,777,324,646

(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).

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

10. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

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.

The following table analyses within the fair value hierarchy the Sub-Fund’s financial assets (by class) measured at fair value at 31 December 2022 and 2021:

	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Assets				
Investments				
- Listed equity securities	21,124,577,919	-	-	21,124,577,919
Total assets	21,124,577,919	-	-	21,124,577,919
	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2021				
Assets				
Investments				
- Listed equity securities	13,609,967,757	-	-	13,609,967,757
Total assets	13,609,967,757	-	-	13,609,967,757

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

Financial instruments that trade 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. As at 31 December 2022 and 2021, there was no investment classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or do not trade. As at 31 December 2022 and 2021, the Sub-Fund did not hold any investments classified in level 3.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

10. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

As at 31 December 2022 and 2021, there was no investment held by the Sub-Fund which has been suspended for trading.

Transfer between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year.

The assets and liabilities included in the statement of financial position, other than investments, are carried at amortised cost. The carrying value of these financial assets and liabilities are considered by the Manager to approximate their fair value as they are short term in nature and the effect of discounting is immaterial. There are no other assets and liabilities not carried at fair value but for which fair value is disclosed.

(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.

11. DISTRIBUTION

There was no distribution during the year/period ended 31 December 2022 and 2021.

12. FINANCIAL INSTRUMENTS BY CATEGORY

As of 31 December 2022 and 2021, other than investments as disclosed in the financial statements which are classified as financial assets at fair value through profit or loss, all financial assets including amounts due from brokers, amounts due from participating dealers, interest receivable, other receivables and cash and cash equivalents are categorised as per HKFRS 9 and carried at amortised cost. All the financial liabilities of the Sub-Fund are carried at amortised cost.

13. 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 Underlying Index and the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the Underlying Index (except as a result of changes in the composition of the Underlying Index and the excess is transitional and temporary in nature).

The Manager and the Trustee have confirmed that the Sub-Fund has complied with this limit during the year ended 31 December 2022 and period from 27 August 2020 (date of inception) to 31 December 2021.

There was no constituent security that individually accounted for more than 10% of the net asset value of the Sub-Fund and their respective weightings of the Hang Seng TECH Index as at 31 December 2022 and 2021.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

13. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (Continued)

During the year ended 31 December 2022, the Hang Seng TECH Index decreased by 26.67% (period from 27 August 2020 (date of inception) to 31 December 2021: decreased by 24.50%) while the net asset value per unit of the Sub-Fund decreased by 27.41% (period from 27 August 2020 (date of inception) to 31 December 2021: decreased by 25.68%).

14. SOFT COMMISSION ARRANGEMENTS

The Manager has entered into soft commission arrangements for the year ended 31 December 2022 and period from 27 August 2020 (date of inception) to 31 December 2021 with some brokers under which certain goods and services used to support investment decision making are obtained from third parties and are paid for by the brokers in consideration of transactions of the Sub-Fund directed to the brokers. These may include, for example, research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; clearing, registrar and custodial services and investment-related publication; computer hardware and software incidental to the above goods and services.

For the year ended 31 December 2022, the Manager obtained the services through soft dollar arrangements on transactions amounting to HKD7,205,833,655 (period from 27 August 2020 (date of inception) to 31 December 2021: HKD32,625,028,508). Commission which amounted to HKD631,102 (period from 27 August 2020 (date of inception) to 31 December 2021: HKD2,355,565) is paid from the Sub-Fund on these transactions.

15. 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 securities. The objectives of the Sub-Fund are to track the performance of the Hang Seng TECH Index and invest in substantially all 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 statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund's income is derived from investments in HK securities which constitute Hang Seng TECH Index, the tracked index.

The Sub-Fund does not have any non-current assets. As at 31 December 2022 and 2021, the Sub Fund has a diversified portfolio of investments and no single investment accounts for more than 10% of the Sub-Fund's net asset value.

16. APPROVAL OF FINANCIAL STATEMENTS

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

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2022

	Holdings	Fair value HKD	% of net assets
Investments (99.95%)			
Listed equities (99.95%)			
Hong Kong (99.95%)			
AAC TECHNOLOGIES HOLDINGS INC ORD USD0.01	9,350,101	166,805,802	0.79
ALIBABA GROUP HOLDING LTD ORD USD.000003125	19,152,861	1,651,934,261	7.82
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD ORD HKD0.01	69,840,689	464,440,582	2.20
BAIDU INC ORD USD.000000625	7,609,169	849,944,177	4.02
BILIBILI INC ORD NPV	3,048,408	569,442,614	2.69
BYD ELECTRONIC CO LTD ORD HKD0.1	10,177,464	255,454,346	1.21
CHINA LITERATURE LIMITED ORD NPV	5,949,036	180,255,791	0.85
GDS HOLDINGS LTD ORD USD.00005	4,631,075	94,937,038	0.45
HAIER SMART HOME CO LTD ORD CNY1	31,507,848	838,108,757	3.97
HUA HONG SEMICONDUCTOR LTD ORD HKD0.01	8,416,780	229,357,255	1.09
JD HEALTH INTERNATIONAL INC ORD USD.0000005	14,371,941	1,025,437,990	4.85
JD.COM INC ORD NPV	7,155,065	1,575,545,313	7.45
KINGDEE INTERNATIONAL SOFTWARE GRP CO LTD ORD HKD0.025	35,907,433	601,090,428	2.84
KINGSOFT CORP LTD ORD USD0.0005	12,349,277	322,316,130	1.53
KUAISHOU TECHNOLOGY ORD USD.0000053	27,524,411	1,955,609,402	9.25
LENOVO GROUP LTD ORD NPV	93,988,678	602,467,426	2.85
LI AUTO INC A SHRS ORD USD.0001	6,570,928	504,647,270	2.39
MEITUAN ORD USD0.00001	9,706,035	1,695,644,315	8.02
MING YUAN CLOUD GROUP HOLDINGS LTD ORD NPV	12,569,017	88,234,499	0.42
NETEASE INC ORD USD.0001	8,697,670	995,883,215	4.71
NIO INC ORD USD.00025	498,536	39,135,076	0.19
PING AN HEALTHCARE AND TECHNOLOGY CO LTD ORD USD.000005	6,490,615	138,250,100	0.65
SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORP ORD USD0.0004	53,932,974	901,759,325	4.27
SENSETIME GROUP INC ORD USD.000000025	194,669,434	432,166,144	2.04
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD ORD HKD0.1	9,210,225	855,169,391	4.05
TENCENT HOLDINGS LTD ORD HKD0.00002	5,277,477	1,762,677,318	8.34
TRIP COM GROUP LTD ORD USD.00125	1,138,522	311,499,619	1.47
XIAOMI CORP CLASS B ORD USD0.0000025	151,283,026	1,655,036,305	7.83

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 31 December 2022

	Holdings	Fair value HKD	% of net assets
Investments (99.95%) (Continued)			
Listed equities (99.95%) (Continued)			
Hong Kong (99.95%) (Continued)			
XPENG INC A SHRS ORD USD0.00001	3,258,878	124,977,971	0.59
ZHONGAN ONLINE P&C INSURANCE CO LTD H ORD CNY1	10,993,026	236,350,059	1.12
		<hr/>	<hr/>
Total investments		21,124,577,919	99.95
Other net assets		10,710,986	0.05
		<hr/>	<hr/>
Net assets attributable to unitholders at 31 December 2022		21,135,288,905	100.00
		<hr/> <hr/>	<hr/> <hr/>
Total investments, at cost		20,209,475,768	
		<hr/> <hr/>	

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the year ended 31 December 2022

	% of net asset value 2022	% of net asset value 2021
Listed equities – by industry		
Consumer Discretionary	30.12	27.14
Consumer Staples	7.05	5.78
Financials	1.12	1.11
Health Care	0.65	0.55
Technology	51.97	55.71
Telecommunications	9.04	9.67
	<hr/>	<hr/>
Total investments	99.95	99.96
Other net assets	0.05	0.04
	<hr/>	<hr/>
Total net assets	<u>100.00</u>	<u>100.00</u>

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

DETAILS OF SECURITY LENDING ARRANGEMENTS (Unaudited)

(a) Breakdown of securities lending transactions

The following table shows the securities lending transactions for the year ended 31 December 2022.

Counterparty	Country of the counterparty	Collateral type	Currency	Maturity Tenor ¹	Settlement/clearing means	Fair value of securities lent ² <i>HKD</i>
BNP Paribas Arbitrage London/Paris	United Kingdom	Government bond	CNY	Open tenor	Triparty Collateral	15,050,769
BNP Paribas Arbitrage London/Paris	United Kingdom	Government bond	HKD	Open tenor	Triparty Collateral	317,144,335
Citigroup Global Markets Ltd	United Kingdom	Government bond	CNY	Open tenor	Triparty Collateral	80,897,486
Citigroup Global Markets Ltd	United Kingdom	Government bond	HKD	Open tenor	Triparty Collateral	184,029,701
Credit Suisse AG Singapore Branch	Singapore	Government bond	CNY	Open tenor	Triparty Collateral	75,681,040
Credit Suisse AG Singapore Branch	Singapore	Government bond	HKD	Open tenor	Triparty Collateral	351,591,486
HSBC Bank Plc	United Kingdom	Government bond	HKD	Open tenor	Triparty Collateral	166,878,648
JP Morgan Secs Plc	United Kingdom	Government bond	CNY	Open tenor	Triparty Collateral	13,534,090
JP Morgan Secs Plc	United Kingdom	Government bond	HKD	Open tenor	Triparty Collateral	350,130,288
Macquarie Bank Ltd	Australia	Government bond	HKD	Open tenor	Triparty Collateral	83,611,218
Merrill Lynch International	United stated	Government bond	CNY	Open tenor	Triparty Collateral	113,341,625
Merrill Lynch International	United stated	Government bond	HKD	Open tenor	Triparty Collateral	3,168,357,513
Mizuho Securities Co Ltd	Japan	Government bond	HKD	Open tenor	Triparty Collateral	292,499,225
Natixis	France	Government bond	CNY	Open tenor	Triparty Collateral	106,370,425
Natixis	France	Government bond	HKD	Open tenor	Triparty Collateral	470,554,310
The Hongkong and Shanghai Banking Corporation	Hong Kong	Government bond	HKD	Open tenor	Triparty Collateral	208,213,524
UBS AG	Switzerland	Government bond	CNY	Open tenor	Triparty Collateral	14,146,911
UBS AG	Switzerland	Government bond	HKD	Open tenor	Triparty Collateral	1,378,920,367
						<u>7,390,952,961</u>

¹ Securities lent out during the year which have not been returned as at year ended 31 December 2022 were disclosed under the above table.

² Securities lent information was based on the Sub-Fund's accounting record. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of translations, and the assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

DETAILS OF SECURITY LENDING ARRANGEMENTS (Unaudited) (Continued)

(a) Breakdown of securities lending transactions (Continued)

The following table shows the securities lending transactions as at 31 December 2022.

Security on loan	Collateral type	Currency	Maturity Tenor	Settlement/ clearing means	Fair value of securities lent ² HKD	% of Net Asset Value
Listed Equity						
AAC TECHNOLOGIES HOLDINGS INC ORD USD0.01	Government bond	HKD	Open tenor	Triparty Collateral	29,073,152	0.14%
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD ORD HKD0.01	Government bond	HKD	Open tenor	Triparty Collateral	143,739,750	0.68%
BILIBILI INC ORD NPV	Government bond	HKD	Open tenor	Triparty Collateral	66,386,665	0.31%
CHINA LITERATURE LIMITED ORD NPV	Government bond	HKD	Open tenor	Triparty Collateral	7,735,075	0.04%
GDS HOLDINGS LTD ORD USD.00005	Government bond	HKD	Open tenor	Triparty Collateral	6,088,500	0.03%
HAIER SMART HOME CO LTD ORD CNY1	Government bond	HKD	Open tenor	Triparty Collateral	136,219,052	0.64%
HUA HONG SEMICONDUCTOR LTD ORD HKD0.01	Government bond	HKD	Open tenor	Triparty Collateral	116,624,768	0.55%
JD HEALTH INTERNATIONAL INC ORD USD.0000005	Government bond	HKD	Open tenor	Triparty Collateral	316,125,379	1.50%
KINGDEE INTERNATIONAL SOFTWARE GRP CO LTD ORD HKD0.025	Government bond	HKD	Open tenor	Triparty Collateral	8,370,000	0.04%
KINGSOFT CORP LTD ORD USD0.0005	Government bond	HKD	Open tenor	Triparty Collateral	14,905,736	0.07%
LENOVO GROUP LTD ORD NPV	Government bond	HKD	Open tenor	Triparty Collateral	39,742,000	0.19%
LI AUTO INC A SHRS ORD USD.0001	Government bond	HKD	Open tenor	Triparty Collateral	315,264,000	1.49%
MING YUAN CLOUD GROUP HOLDINGS LTD ORD NPV	Government bond	HKD	Open tenor	Triparty Collateral	35,451,000	0.17%

¹ Securities lent out during the year which have not been returned as at year ended 31 December 2022 were disclosed under the above table.

² Securities lent information was based on the Sub-Fund's accounting record. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of translations, and the assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

DETAILS OF SECURITY LENDING ARRANGEMENTS (Unaudited) (Continued)

(a) Breakdown of securities lending transactions (Continued)

Security on loan	Collateral type	Currency	Maturity Tenor	Settlement/clearing means	Fair value of securities lent ² HKD	% of Net Asset Value
<u>Listed Equity</u>						
NIO INC ORD USD.00025	Government bond	HKD	Open tenor	Triparty Collateral	11,225,500	0.05%
PING AN HEALTHCARE AND TECHNOLOGY CO LTD ORD USD.000005	Government bond	HKD	Open tenor	Triparty Collateral	126,534,077	0.60%
SENSETIME GROUP INC ORD USD.000000025	Government bond	HKD	Open tenor	Triparty Collateral	259,833,677	1.23%
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD ORD HKD0.1	Government bond	HKD	Open tenor	Triparty Collateral	14,391,750	0.07%
TRIP.COM GROUP LTD ORD USD.00125	Government bond	HKD	Open tenor	Triparty Collateral	36,388,800	0.17%
XPENG INC A SHRS ORD USD0.00001	Government bond	HKD	Open tenor	Triparty Collateral	81,342,841	0.38%
ZHONGAN ONLINE P&C INSURANCE CO LTD H ORD CNY1	Government bond	HKD	Open tenor	Triparty Collateral	101,747,160	0.48%
					1,867,188,882	8.83%

¹ Securities lent out during the year which have not been returned as at year ended 31 December 2022 were disclosed under the above table.

² Securities lent information was based on the Sub-Fund's accounting record. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of translations, and the assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

DETAILS OF SECURITY LENDING ARRANGEMENTS (Unaudited) (Continued)

(a) Breakdown of securities lending transactions (Continued)

Collateral for security lending transactions as at 31 December 2022

Collateral type	Currency	Maturity Tenor	Fair value of collateral <i>HKD</i>
Government bond	AUD	21 November 2027	18,740,628
Government bond	CAD	01 April 2025	599,774
Government bond	JPY	20 March 2023	200,160,417
Government bond	JPY	20 December 2030	180,146,507
Government bond	JPY	20 September 2031	181,540,327
Government bond	JPY	20 March 2032	22,730,280
Government bond	JPY	20 December 2035	111,872,376
Government bond	JPY	20 September 2037	2,668,473
Government bond	JPY	20 March 2039	963,226,092
Government bond	JPY	20 March 2049	210,071,604
Government bond	USD	15 May 2050	73,907,192
			1,965,663,670

(b) Global data

	As at 31 December 2022
Amount of securities on loan as proportion of total lendable assets ²	8.83%
Amount of securities on loan as a proportion of total net asset value ²	8.83%

² Securities lent information was based on the Sub-Fund's accounting record. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of translations, and the assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

DETAILS OF SECURITY LENDING ARRANGEMENTS (Unaudited) (Continued)

(c) Top ten largest collateral issuers

	Amount of collateral received <i>HKD</i>	% of Net Asset Value
Merrill Lynch International	965,894,565	4.57
The Hongkong and Shanghai Banking Corporation	210,071,604	0.99
Natixis	181,540,327	0.86
UBS AG	180,146,507	0.85
Credit Suisse AG Singapore Branch	118,065,628	0.56
BNP Paribas Arbitrage London/Paris	93,739,590	0.45
Citigroup Global Markets Ltd	82,094,789	0.39
JP Morgan Secs Plc	74,506,966	0.35
Mizuho Securities Co Ltd	36,873,414	0.17
HSBC Bank Plc	22,730,280	0.11
	<u>1,965,663,670</u>	<u>9.30</u>

(d) Top ten counterparties of securities lending transactions

	Fair value of securities on loan <i>HKD</i>	% of Net Asset Value
Merrill Lynch International	919,924,375	4.35
The Hongkong and Shanghai Banking Corporation	200,237,500	0.95
Natixis	172,958,040	0.82
UBS AG	171,729,708	0.81
Credit Suisse AG Singapore Branch	107,162,068	0.51
BNP Paribas Arbitrage London/Paris	89,227,095	0.42
Citigroup Global Markets Ltd	78,297,649	0.37
JP Morgan Secs Plc	70,988,678	0.34
Mizuho Securities Co Ltd	35,030,000	0.16
HSBC Bank Plc	21,633,769	0.10
	<u>1,867,188,882</u>	<u>8.83</u>

(e) Revenue and expenses relating to securities financing transactions

Revenue retained by the Sub-Fund and expenses incurred relating to each type of securities financing transactions are shown below.

	Year ended 31 December 2022 <i>HKD</i>
<u>Securities Lending Transactions</u>	
Revenue retained by the Sub-Fund	18,488,626
Direct expenses paid to the Manager	4,278,310

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

HOLDING OF COLLATERAL

(a) Holdings of Collateral

Collateral provider	Nature of the collateral	Maturity tenor	Currency denomination	% of net asset value covered by collateral	Value of the collateral* <i>HKD</i>
BNP PARIBAS ARBITRAGE LONDON/PARIS	Fixed income securities	21 November 2027	AUD	0.09%	18,740,628
BNP PARIBAS ARBITRAGE LONDON/PARIS	Fixed income securities	20 December 2035	JPY	0.36%	74,998,962
CITIGROUP GLOBAL MARKETS LTD	Fixed income securities	20 March 2023	JPY	0.39%	82,094,789
CREDIT SUISSE AG SINGAPORE BRANCH	Fixed income securities	20 March 2023	JPY	0.56%	118,065,628
HSBC BANK PLC	Fixed income securities	20 March 2032	JPY	0.11%	22,730,280
JP MORGAN SECS PLC	Fixed income securities	01 April 2025	CAD	0.00%	599,774
JP MORGAN SECS PLC	Fixed income securities	15 May 2050	USD	0.35%	73,907,192
MERRILL LYNCH INTERNATIONAL	Fixed income securities	20 September 2037	JPY	0.01%	2,668,473
MERRILL LYNCH INTERNATIONAL	Fixed income securities	20 March 2039	JPY	4.56%	963,226,092
MIZUHO SECURITIES CO LTD	Fixed income securities	20 December 2035	JPY	0.17%	36,873,414
NATIXIS	Fixed income securities	20 September 2031	JPY	0.86%	181,540,327
THE HONG KONG & SHANGHAI BANKING CORPORATION LTD	Fixed income securities	20 March 2049	JPY	0.99%	210,071,604
UBS AG	Fixed income securities	20 December 2030	JPY	0.85%	180,146,507
				<u>9.30%</u>	<u>1,965,663,670</u>

* As at 31 December 2022, the credit ratings of counterparties are at or above investment grade.

(b) Credit rating of fixed income collateral

Collateral provider	Asset class	Fair value of collateral* <i>HKD</i>
BNP Paribas Arbitrage London/Paris	Government bond	18,740,628
BNP Paribas Arbitrage London/Paris	Government bond	74,998,962
Citigroup Global Markets Ltd	Government bond	82,094,789
Credit Suisse AG Singapore Branch	Government bond	118,065,628
HSBC Bank Plc	Government bond	22,730,280
JP Morgan Secs Plc	Government bond	599,774
JP Morgan Secs Plc	Government bond	73,907,192
Merrill Lynch International	Government bond	2,668,473
Merrill Lynch International	Government bond	963,226,092
Mizuho Securities Co Ltd	Government bond	36,873,414
Natixis	Government bond	181,540,327
The Hongkong and Shanghai Banking Corporation	Government bond	210,071,604
UBS AG	Government bond	180,146,507
		<u>1,965,663,670</u>

* As at 31 December 2022, the credit ratings of counterparties are at or above investment grade.

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

HOLDING OF COLLATERAL (Continued)

(c) Custody/safe-keeping arrangement

Fair value
31 December 2022
HKD

Custodians of collateral securities

Segregated accounts

JP Morgan Bank Luxembourg S.A.

1,965,663,670

1,965,663,670

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

PERFORMANCE RECORD (Unaudited)

Net asset value

	Net asset value of the Sub-Fund* <i>HKD</i>	Net asset value per unit <i>HKD</i>
At the end of financial year/period dated		
31 December 2022		
Listed class	21,136,086,047	4.0682
Unlisted class A	6,396	4.0519
31 December 2021		
Listed class	13,615,976,838	5.6047
Unlisted class A	8,842	5.6018

Highest and lowest net asset value per unit

	Highest issue price per unit <i>HKD</i>	Lowest redemption price per unit <i>HKD</i>
Financial year ended		
31 December 2022		
Listed class	5.8284	2.7650
Unlisted class A	5.8251	2.7566
31 December 2021 (since 27 August 2020 (date of inception))		
Listed class	10.8904	5.4083
Unlisted class A	6.8249	5.4056

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

**CSOP HANG SENG TECH INDEX ETF
(A SUB-FUND OF CSOP ETF SERIES)**

MANAGEMENT AND ADMINISTRATION

Manager

CSOP Asset Management Limited
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

Service Agent

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

Listing Agent

Altus Capital Limited,
21 Wing Wo Street,
Central,
Hong Kong

Directors of the Manager

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

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
22/F, Prince's Building
15 Queen Central
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