



CSOP ETF SERIES* (*This includes synthetic ETFs)
(An umbrella unit trust established in Hong Kong)

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
Stock Codes: 83005 (RMB counter) and 3005 (HKD counter)
(A sub-fund of CSOP ETF Series* (*This includes synthetic ETFs))

Reports and Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2023

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

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CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The CSOP CSI 500 ETF* (*This is a synthetic ETFs), a sub-fund of the CSOP ETF Series* (*This includes synthetic ETFs), is a unit trust authorised under the Securities and Futures Ordinance (Cap. 571) of Hong Kong. It was launched on 19 March 2020 and commenced trading both in RMB under the stock code 83005 and in HKD under the stock code 3005 on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 19 March 2020. The CSOP CSI 500 ETF* (*This is a synthetic ETFs) is benchmarked against the CSI 500 Index and adopts a combination of primarily a synthetic representative sampling strategy and a physical representative sampling strategy as an ancillary strategy. The Manager of the CSOP CSI 500 ETF* (*This is a synthetic ETFs) is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

Effective from 31 July 2023, the CSOP CSI 500 ETF* (*This is a synthetic ETFs) will primarily use a synthetic representative sampling strategy by investing up to 100% of its Net Asset Value in financial derivative instruments (“FDIs”), which will be fully funded total return swaps with one or more counterparties. When manager believes such investments are beneficial to the CSOP CSI 500 ETF* (*This is a synthetic ETFs) and will help the CSOP CSI 500 ETF* (*This is a synthetic ETFs) achieve its investment objective, manager will use a physical representative sampling strategy as an ancillary strategy by investing a maximum level of less than 50% and an expected level of up to 30% of its Net Asset Value in a representative portfolio of securities that collectively has a high correlation with the Underlying Index.

The CSI 500 Index (the “Index”) is compiled and published by China Securities Index Co., Ltd. It consists of the 500 stocks after the largest 300 stocks in terms of market capitalisation and liquidity from the entire universe of listed A-Shares companies in the PRC. The Index operates under clearly defined rules published by the index provider and is a tradable index.

Fund Performance

The CSOP CSI 500 ETF* (*This is a synthetic ETFs) seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As of 29 December 2023, the dealing Net Asset Value (“NAV”) per unit of the CSOP CSI 500 ETF* (*This is a synthetic ETFs) was RMB14.6638 and there were 1,200,000 units outstanding. The total asset under management was approximately RMB17.6 million.

As of 29 December 2023, the dealing NAV performed -7.27% while the Index performed -6.06%. The difference in performance between the NAV of the CSOP CSI 500 ETF* (*This is a synthetic ETFs) and the Index is mainly attributed to dividends, fees and expenses including tax on dividends and distributions to unitholders.

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of the CSOP CSI 500 ETF* (*This is a synthetic ETFs) (the “Sub-Fund”), a sub-fund of CSOP ETF Series* (*This includes synthetic ETFs), 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 2023.

HSBC Institutional Trust Services (Asia) Limited
29 April 2024

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER’S RESPONSIBILITIES

The Manager of CSOP CSI 500 ETF* (*This is a synthetic ETFs) (the “Sub-Fund”), a sub-fund of CSOP ETF Series* (*This includes synthetic ETFs), 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 year and of the transactions for the year ended 31 December 2023. 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* (*This includes synthetic ETFs) (the “Trust”) is an umbrella unit trust governed by its Trust Deed. As at 31 December 2023 the Trust has established eleven sub-funds, namely, CSOP CSI 500 ETF* (*This is a synthetic ETFs) (the “Sub-Fund”), CSOP FTSE China A50 ETF, CSOP SZSE ChiNext ETF* (*This is a synthetic ETF), ICBC CSOP S&P New China Sectors ETF, CSOP Hong Kong Dollar Money Market ETF, CSOP US Dollar Money Market ETF, CSOP Hang Seng TECH Index ETF, CSOP Yinhua CSI 5G Communications Theme ETF, CSOP Bitcoin Futures ETF, CSOP Ether Futures ETF and CSOP Saudi Arabia ETF. The date of inception of the CSOP Saudi Arabia ETF was 20 November 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.

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP CSI 500 ETF* (*THIS IS A SYNTHETIC ETF)
(A SUB-FUND OF CSOP ETF SERIES* (*THIS INCLUDES SYNTHETIC ETFS), 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 CSI 500 ETF (*This is a synthetic ETF) (the "Sub-Fund"), a sub-fund of CSOP ETF Series* (*This includes synthetic ETFs), which are set out on pages 8 to 32, comprise:

- the statement of financial position as at 31 December 2023;
- 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, comprising material accounting policy information 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 2023, and of its financial transactions and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRS") 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 ("HKSAs") 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.

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

**INDEPENDENT AUDITOR’S REPORT
TO THE UNITHOLDERS OF CSOP CSI 500 ETF* (*THIS IS A SYNTHETIC ETF)
(A SUB-FUND OF CSOP ETF SERIES* (*THIS INCLUDES SYNTHETIC ETFS), AN UMBRELLA UNIT
TRUST ESTABLISHED IN HONG KONG) (CONTINUED)**

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 derivative financial instruments, and occurrence and accuracy of the related investments and derivative financial instruments gain/loss</u></p> <p>As at 31 December 2023, the Sub-Fund had derivative financial assets comprised of unlisted funded total return swaps with a fair value of RMB17,213,899. The net loss on investments and derivative financial instruments amounted to RMB1,192,426, which represents net change in unrealised loss in value of investments and derivative financial instruments of RMB1,014,493 and net realised loss on sale of investments and derivative financial instruments of RMB177,933.</p> <p>We focused on the existence and valuation of derivative financial instruments, and the occurrence and accuracy of the related investments and derivative financial instruments gain/loss, because the derivative financial instruments and the net gain/(loss) on investments and derivative financial instruments represented the principal elements of Sub-Fund’s net assets attributable to unitholders as at 31 December 2023.</p> <p>Refer to note 5 and note 8 to the financial statements.</p>	<p>Our work included an assessment of the key controls over the existence and valuation of the derivative financial instruments, 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 (the “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 derivative financial instruments, and accuracy of the related investments and derivative financial instruments gain/loss by obtaining direct confirmations from the brokers and agreeing the Sub-Fund's holdings of derivative financial instruments to the confirmation.</p> <p>We tested the valuation of the Sub-Fund's derivative financial instruments, and the accuracy of their related unrealised gains/losses by comparing the pricing used by the Sub-Fund to external pricing sources as at 31 December 2023.</p> <p>We tested the occurrence and accuracy of net realised gains/losses from trading of derivative financial instruments by agreeing the purchase and sale transactions to brokers statements and testing the calculation of net gains and losses on a sample basis.</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.

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
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**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP CSI 500 ETF* (*THIS IS A SYNTHETIC ETFS)
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TRUST ESTABLISHED IN HONG KONG) (CONTINUED)**

Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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 HKFRS 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 (the "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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP CSI 500 ETF* (*THIS IS A SYNTHETIC ETFS)
(A SUB-FUND OF CSOP ETF SERIES* (*THIS INCLUDES SYNTHETIC ETFS), AN UMBRELLA UNIT
TRUST ESTABLISHED IN HONG KONG) (CONTINUED)**

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

- 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.

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 Kwan Wai Tuen, Josephine.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 April 2024

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	2023 <i>RMB</i>	2022 <i>RMB</i>
ASSETS			
CURRENT ASSETS			
Investments	<i>7(c), 8(a), 8(d)</i>	-	9,921,237
Derivative financial instruments	<i>8(a), 8(b), 8(d)</i>	17,213,899	9,013,645
Bank interest receivable		3	1
Interest receivable from derivative counterparties		10,292	130
Other receivable		421,305	94,803
Cash and cash equivalents	<i>7(c)</i>	122,415	79,066
Total assets		<u>17,767,914</u>	<u>19,108,882</u>
LIABILITIES			
CURRENT LIABILITIES			
Management fee payable	<i>7(a)</i>	212,356	112,312
License fee payable		240,393	332,585
Other accounts payable		21,389	238,680
Total liabilities		<u>474,138</u>	<u>683,577</u>
EQUITY			
Net assets attributable to unitholders	<i>4</i>	<u>17,293,776</u>	<u>18,425,305</u>

The financial statements on pages 8 to 32 were approved by the Trustee and the Manager on 29 April 2024 and were signed on their behalf.

For and on behalf of

For and on behalf of

CSOP Asset Management Limited
as the Manager

HSBC Institutional Trust Services (Asia) Limited
as the Trustee

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

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	Year ended 31 December 2023 RMB	Year ended 31 December 2022 RMB
INCOME			
Dividend income		151,507	297,741
Interest income from bank deposits	<i>7(c)</i>	401	1,428
Interest income from derivative counterparties	<i>10</i>	166,561	13,829
Net loss on investments and derivative financial instruments	<i>5</i>	(1,192,426)	(8,449,772)
Net foreign currency (loss)/gain		(15)	28
Other income		451,826	264,266
Total net loss		<u>(422,146)</u>	<u>(7,872,480)</u>
EXPENSES			
Management fee	<i>7(a)</i>	(161,959)	(309,497)
Transaction costs on investments		(44,137)	(39,167)
Audit fee		(8,227)	(13,373)
Safe custody and bank charges	<i>7(e)</i>	(32,630)	(6,731)
Legal and other professional fee		(172,104)	-
License fee		(57,808)	(99,999)
Other operating expenses	<i>7(e)</i>	(241,968)	(325,214)
Total operating expenses		<u>(718,833)</u>	<u>(793,981)</u>
Operating loss		<u>(1,140,979)</u>	<u>(8,666,461)</u>
Taxation	<i>6</i>	<u>(15,270)</u>	<u>(30,050)</u>
Total comprehensive loss		<u><u>(1,156,249)</u></u>	<u><u>(8,696,511)</u></u>

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

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2023

	<i>Notes</i>	Year ended 31 December 2023 <i>RMB</i>	Year ended 31 December 2022 <i>RMB</i>
Net assets attributable to unitholders at the beginning of the year		18,425,305	55,530,536
Issue of units	4	13,375,560	-
Redemption of units	4	(13,350,840)	(28,408,720)
Net increase/(decrease) from unit transactions		24,720	(28,408,720)
Total comprehensive loss for the year		(1,156,249)	(8,696,511)
Net assets attributable to unitholders at the end of the year		17,293,776	18,425,305

The movements of the redeemable units for the years ended 31 December 2023 and 2022 are as follows:

	Year ended 31 December 2023 <i>Units</i>	Year ended 31 December 2022 <i>Units</i>
Number of units in issue at the beginning of the year	1,200,000	2,800,000
Units issued	800,000	-
Units redeemed	(800,000)	(1,600,000)
Number of units in issue at the end of the year	1,200,000	1,200,000

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

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

Year ended
31 December 2023
RMB

Year ended
31 December 2022
RMB

OPERATING ACTIVITIES

Payments for purchase of investments	(38,729,843)	(4,465,357)
Proceeds from sale of investments	39,258,400	33,343,680
Dividend income received, net of tax	136,242	267,803
Interest income from bank deposits received	394	1,328
Interest income from swaps received	156,399	14,528
Other income received	451,826	264,266
Management fee paid	(61,915)	(938,354)
Transactions costs paid	(44,137)	(39,167)
Other operating expenses paid	(1,148,722)	(470,732)

Net cash generated from operating activities

18,644

27,977,995

FINANCING ACTIVITIES

Proceeds on issue of units	13,375,560	-
Payments on redemption of units	(13,350,840)	(28,408,720)

Net cash generated from/(used in) financing activities

24,720

(28,408,720)

Net increase/(decrease) in cash and cash equivalents

43,364

(430,725)

Cash and cash equivalents at the beginning of the year

79,066

509,763

Foreign currency (loss)/gain on cash and cash equivalents

(15)

28

Cash and cash equivalents at the end of the year

122,415

79,066

Analysis of balances of cash and cash equivalents

Bank balances

122,415

79,066

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

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP ETF Series* (*This includes synthetic ETFs) (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 2023, the Trust has eleven sub-funds which are CSOP CSI 500 ETF* (*This is a synthetic ETFs), (the “Sub-Fund”), CSOP FTSE China A50 ETF, CSOP SZSE ChiNext ETF* (*This is a synthetic ETF), ICBC CSOP S&P New China Sectors ETF, CSOP Hong Kong Dollar Money Market ETF, CSOP US Dollar Money Market ETF, CSOP Hang Seng TECH Index ETF, CSOP Yinhua CSI 5G Communications Theme ETF, CSOP Bitcoin Futures ETF, CSOP Ether Futures ETF and CSOP Saudi Arabia ETF. CSOP Saudi Arabia ETF was inceptioned on 20 November 2023. The date of inception of the Sub-Fund was 18 March 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, CSI 500 Index (the “Underlying Index”).

Prior to 31 July 2023, in order to achieve the investment objective of the Sub-Fund, the Manager adopted a combination of physical and synthetic representative sampling strategy.

Physical representative sampling sub-strategy

The Sub-Fund primarily used a physical representative sampling strategy by investing 50% to 100% of its net asset value in a representative portfolio of securities that collectively had a high correlation with the Underlying Index. The Sub-Fund might or might not hold all of the securities that were included in the Underlying Index and might invest in securities which were not included in the Underlying Index.

Synthetic representative sampling sub-strategy

Synthetic representative sampling strategy involved investing up to 50% of its net asset value in financial derivative instruments (“FDIs”), which only were direct investment in unlisted funded total return swap transaction(s) whereby the Sub-Fund passed on the relevant portion of cash to the swap counterparty(ies) and in return the swap counterparty(ies) provided the Sub-Fund with an exposure to the economic gain/loss in the performance of the relevant Securities (net of indirect costs).

Effective from 31 July 2023, in seeking to achieve the investment objective, the Sub-Fund will (i) primarily use a synthetic representative sampling strategy by investing up to 100% of its net asset value in FDIs, which will be fully funded total return swaps with one or more counterparties; and (ii) where the Manager believes such investments are beneficial to the Sub-Fund and will help the Sub-Fund achieve its investment objective, use a physical representative sampling strategy as an ancillary strategy by investing a maximum level of less than 50% and an expected level of up to 30% of its net asset value (or up to 100% in extreme market conditions, e.g. market crash, crisis or extreme market turbulence affecting particularly the FDI market) in a representative portfolio of securities that collectively has a high correlation with the Underlying Index.

The Sub-Fund has been using CSI 500 Net Total Return Index as its underlying index of the swap.

Under current regulations in the People’s Republic of China (“PRC”), generally foreign investors can invest in the domestic securities and/or futures market through (i) certain foreign institutional investors that have obtained status as a Qualified Foreign Investors (“QFI”) from the China Securities Regulatory Commission (“CSRC”) to remit foreign freely convertible currencies and Renminbi (“RMB”) into the PRC for the purpose of investing in the PRC’s domestic securities and/or futures markets, or (ii) the Stock Connect program.

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION (Continued)

The Sub-Fund directly invests in securities issued within the PRC primarily through the QFI Status of the Manager and the Stock Connect. The Manager has obtained QFI status in the PRC.

These financial statements are prepared for the Sub-Fund only. The financial statements for CSOP FTSE China A50 ETF, CSOP SZSE ChiNext ETF* (*This is a synthetic ETF), ICBC CSOP S&P New China Sectors ETF, CSOP Hong Kong Dollar Money Market ETF, CSOP US Dollar Money Market ETF, CSOP Hang Seng TECH Index ETF, CSOP Yinhuo CSI 5G Communications Theme ETF, CSOP Bitcoin Futures ETF and CSOP Ether Futures ETF have been prepared separately. CSOP Saudi Arabia ETF was inceptioned on 20 November 2023 with the first financial statements issued for the period from 20 November 2023 (date of inception) to 31 December 2024.

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years 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 as issued by the Hong Kong Institute of Certified Public Accountants (“HKFRS”).

HKFRS comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and derivative financial instruments at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Standards and amendments to existing standards effective 1 January 2023

The Sub-Fund has applied the following new and amended standards for its annual reporting period commencing 1 January 2023:

- Disclosure of Accounting Policies – Amendments to HKAS 1 and HKFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to HKAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to HKAS 12

The amendments listed above did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

New standards, amendments and interpretations effective after 1 January 2023 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 2023, 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.

(b) Investments

(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 CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Investments (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.

(vi) Derivatives

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading unless they are designated as hedges. The Sub-Fund does not classify any derivatives as hedges in a hedging relationship.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Sub-Fund's documented investment strategy.

The Sub-Fund's policy requires the Manager to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(vii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(c) Expected credit losses on financial assets measured at amortised cost

At each reporting date, the Sub-Fund shall measure the loss allowance on financial assets measured at amortised cost 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 counterparty, probability that the counterparty 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, financial assets measured at amortised cost 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.

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (Continued)

(d) 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.

(e) 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.

(f) 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.

(g) Transaction costs on investments

Transactions 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.

(h) Expenses

Expenses are accounted for on an accrual basis.

(i) 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.

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (Continued)

(j) 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 A Shares in the PRC and the performance of the Sub-Fund is measured and reported to the unitholders in RMB. The Manager considers RMB as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in RMB, 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 loss on investments and derivative financial instruments”.

(k) 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 classifies its puttable financial instruments as equity in accordance with HKAS 32 (Amendment), “Financial instruments: Presentation” as those puttable financial instruments meet all the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of the Sub-Fund.

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 CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

2. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Taxation

The Sub-Fund currently incurs withholding taxes imposed by PRC 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.

(m) Establishment costs

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

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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 securities that are suspended from trading which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

Fair value of securities that are suspended from trading

Management used its judgment in determining the fair values of these investments and involved a higher degree of subjectivity. Management judgment in determining the fair value of the suspended investment includes factors such as the duration of suspension period, the relevant market information and news of the suspended listed equities, the price movement of comparable listed equities/index during the suspension period and, if applicable, the market prices of the suspended listed equities upon resumption of trading after year end.

Management has applied appropriate models and assumptions to determine the fair value of of investment. As at 31 December 2023, the Sub-fund held one equity investment which was classified as level 3 and its fair value was marked to RMB nil. As at 31 December 2022, the Sub-Fund held two listed equities of RMB39,189, representing 0.22% of the net asset value of the Sub-Fund, which was suspended for trading and classified as level 2. Such suspended investment held by the Sub-Fund was resumed trading subsequent to the year ended 31 December 2022. Having considered the factors mentioned above, Management decided to use the latest available price before suspension as the fair value of such suspended investment as at 31 December 2022. Refer to Note 8(d).

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 statement of financial position. Subscriptions and redemptions of units during the year are shown in the 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 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(k), redeemable units of the Sub-Fund are classified as equities 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.

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

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

	2023 Units	2022 Units
Number of units in issue at the end of the year	1,200,000	1,200,000
	2023 <i>RMB</i>	2022 <i>RMB</i>
Net assets attributable to unitholders per unit as at 31 December (per statement of financial position)	14.4115	15.3544

As stated in Note 2(m), 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 and to be amortised over first 5 financial years. As at 31 December 2023 and 2022, the expensing of establishment costs as stated in the financial statements resulted in a decrease of RMB298,658 (2022: RMB544,175) of net assets attributable to unitholders when compared with the methodology indicated in the Trust's Prospectus and the amount RMB298,658 (2022: RMB544,175) is unamortised with remaining 1 (2022: 2) years amortisation.

	31 December 2023 <i>RMB</i>	31 December 2022 <i>RMB</i>
Net assets attributable to unitholders as reported in the statement of financial position	17,293,776	18,425,305
Adjustments for unamortised establishment costs	298,658	544,175
Net asset value in accordance with the Trust's Prospectus	17,592,434	18,969,480

5. NET LOSS ON INVESTMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS

	Year ended 31 December 2023 <i>RMB</i>	Year ended 31 December 2022 <i>RMB</i>
Net fair value change in unrealised gain/loss in value of investments and derivative financial instruments	(1,014,493)	(10,218,713)
Net realised (loss)/gain on sale of investments and derivative financial instruments	(177,933)	1,768,941
	(1,192,426)	(8,449,772)

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

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.

PRC tax

The Sub-Fund invests in A-Shares listed in the PRC and is subjected to 10% withholding tax on dividend income derived from A-Shares. The Sub-Fund held deposits with PRC bank and is subjected to 10% withholding tax on interest income arose from the deposits. Withholding tax was charged on dividend income received from A-Shares during the year.

The taxation of the Sub-Fund for the years ended 31 December 2023 and 2022 represents:

	Year ended 31 December 2023 <i>RMB</i>	Year ended 31 December 2022 <i>RMB</i>
Withholding tax on dividend income	15,265	29,938
Withholding tax on interest income	5	112
	<hr/>	<hr/>
Taxation	15,270	30,050
	<hr/> <hr/>	<hr/> <hr/>

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

The following is a summary of significant related party transactions/transactions entered into during the year between the Sub-Fund and the Trustee, the Manager and the Connected Persons of the Manager and the Trustee. 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 years ended 31 December 2023 and 2022, between the Sub-Fund and the Manager 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 of the Manager except for those disclosed below.

(a) Management fee

Effective from 31 July 2023, the Manager is entitled to receive a management fee, currently at the rate of 0.50% 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. Prior to 31 July 2023, 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.

During the years ended 31 December 2023 and 2022, other than management fees that was paid to the Manager, no other amounts were paid to the Manager or its connected persons of the Manager.

(b) Trustee’s 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 fee is inclusive of fees payable to The Hongkong and Shanghai Banking Corporation Limited (the “Custodian”) and HSBC Bank (China) Company Limited (the “PRC Custodian”).

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

NOTES TO THE FINANCIAL STATEMENTS

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

(b) Trustee's and registrar's Fee (Continued)

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

(c) Financial assets

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

	As at 31 December 2023 <i>RMB</i>	As at 31 December 2022 <i>RMB</i>
Investments		
The Hongkong and Shanghai Banking Corporation Limited	-	8,602,663
HSBC Bank (China) Company Limited	-	1,318,574
	<u>-</u>	<u>9,921,237</u>
Bank balances		
The Hongkong and Shanghai Banking Corporation Limited	97,140	74,830
HSBC Bank (China) Company Limited	25,275	4,236
	<u>122,415</u>	<u>79,066</u>

Interest income amounting to RMB401 (2022: RMB1,428) was earned on these bank balances for the year ended 31 December 2023.

(d) Holding in the Sub-Fund

As at 31 December 2023 and 2022, 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 years ended 31 December 2023 and 2022 was as follows:

	Year ended 31 December 2023 <i>RMB</i>	Year ended 31 December 2022 <i>RMB</i>
Safe custody and bank charges	32,630	6,731
Other operating expenses	160,431	189,754
	<u>193,061</u>	<u>196,485</u>

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT

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 CSI 500 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 CSI 500 Index, therefore the exposures to market risk in the Sub-Fund will be substantially the same as the tracked index. 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 2023 and 2022, the Sub-Fund's investments and derivative financial instruments were concentrated in the following industries:

	31 December 2023		31 December 2022	
	Fair value <i>RMB</i>	% of net asset value	Fair value <i>RMB</i>	% of net asset value
Listed equities in PRC – by industry				
Basic materials	-	-	2,027,410	10.99
Consumer cyclical	-	-	84,383	0.46
Consumer defensive	-	-	73,564	0.40
Consumer discretionary	-	-	1,020,690	5.57
Consumer staples	-	-	576,062	3.14
Energy	-	-	277,728	1.51
Financials	-	-	823,627	4.51
Health care	-	-	1,107,322	5.99
Industrials	-	-	1,754,901	9.51
Real Estate	-	-	248,748	1.34
Technology	-	-	1,295,966	7.03
Telecommunications	-	-	261,586	1.41
Utilities	-	-	369,250	1.99
Unlisted funded total return swap				
CSI 500 NTR	17,213,899	99.54	9,013,645	48.92
	<u>17,213,899</u>	<u>99.54</u>	<u>18,934,882</u>	<u>102.77</u>

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

As at 31 December 2023, the Sub-Fund held nil out of 500 (2022: 499 out of 500) constituent securities comprising the CSI 500 Index, in which all the constituent securities were held directly. As at 31 December 2023 and 2022, the Sub-Fund also held an unlisted funded total return swap which has CSI500 Net Total Return Index as underlying. The Sub-Fund is therefore exposed to substantially the same market price risk as the CSI 500 Index.

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

As at 31 December 2023 and 2022, if the CSI 500 Index were to increase by 20% (2022: 20%) with all other variables held constant, this would increase the operating profit for the year by approximately RMB3,305,532(2022: RMB3,756,165) Conversely, if the CSI 500 Index were to decrease by 20% (2022: 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 2023 and 2022, interest rate risk arises only from bank balances and unlisted funded total return swap. As the bank balances held by the Sub-Fund is short term in nature and the 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 RMB, the Sub-Fund's functional and presentation currency. As a result, Managers 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.

The Sub-Fund may invest in financial derivative instruments ("FDIs"), which will mainly consist of unlisted funded total return swaps with one or more counterparties. The counterparties are transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral are received from the counterparty to reduce counterparty risk.

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.

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

As at 31 December 2023, the Sub-Fund placed bank balances of RMB97,140 (2022: RMB74,830) and investments of nil (2022: RMB8,602,663) with The Hongkong and Shanghai Banking Corporation Limited (“HSBC”), which is the custodian of the Sub-Fund. As at 31 December 2023 and 2022, the credit ratings of the Sub-Fund’s custodian are at or above investment grade.

As at 31 December 2023, the Sub-Fund placed bank balances of RMB25,275 (2022: RMB4,236) and investments of nil (2022: RMB1,318,574) with HSBC Bank (China) Company Limited (“HSBC China”), which is the PRC custodian of the Sub-Fund. As at 31 December 2023 and 2022, the credit ratings of the Sub-Fund’s PRC custodian are at or above investment grade.

As at 31 December 2023 and 31 December 2022, the Sub-Fund invested in unlisted funded total return swaps were as follows:

Counterparty	Swap value <i>RMB</i>	Nature of collateral	Collateral value <i>RMB</i>	Collateral ratio
As at 31 December 2023				
Societe Generale, Paris	17,213,899	Government bonds	17,375,017	100.94
As at 31 December 2022				
Societe Generale, Paris	9,013,645	Government bonds	10,153,228	112.64

As at 31 December 2023 and 2022, the credit ratings of the counterparties are at or above investment grade.

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. As at 31 December 2023 and 2022, bank interest receivable, interest receivables from derivative counterparties and cash and cash equivalents are held with counterparties with high credit ratings and are due to be settled within 1 month. Applying the requirements of HKFRS 9, the expected credit loss (“ECL”) is immaterial for the Sub-Fund and, as such, no ECL has been recognised within the financial statements.

The maximum exposure to credit risk as at 31 December 2023 and 2022 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.

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

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 31 December 2023				
Management fee payable	212,356	-	-	212,356
License fee payable	-	-	240,393	240,393
Other accounts payable	-	-	21,389	21,389
	<u>212,356</u>	<u>-</u>	<u>261,782</u>	<u>474,138</u>
Contractual cash outflow	<u>212,356</u>	<u>-</u>	<u>261,782</u>	<u>474,138</u>
As at 31 December 2022				
Management fee payable	112,312	-	-	112,312
License fee payable	-	-	332,585	332,585
Other accounts payable	41,340	-	197,340	238,680
	<u>153,652</u>	<u>-</u>	<u>529,925</u>	<u>683,577</u>
Contractual cash outflow	<u>153,652</u>	<u>-</u>	<u>529,925</u>	<u>683,577</u>

Units are redeemed on demand at the unitholder's option. As at 31 December 2023, there was 1 (2022: 4) nominee account holding more than 10% of the Sub-Fund's units, representing in aggregate 42.02% (2022: 56.45%) of the total 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>RMB</i>	1 to 12 months <i>RMB</i>	No stated maturity <i>RMB</i>	Total <i>RMB</i>
As at 31 December 2023				
Total assets	<u>17,757,619</u>	<u>10,295</u>	<u>-</u>	<u>17,767,914</u>
As at 31 December 2022				
Total assets	<u>19,108,751</u>	<u>131</u>	<u>-</u>	<u>19,108,882</u>

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(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.

The following tables analyse within the fair value hierarchy the Sub-Fund’s financial assets (by class) measured at fair value at 31 December 2023 and 2022:

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 31 December 2023				
Assets				
Investment				
- Equity securities	-	-	-	-
Derivative financial instruments				
- Unlisted funded total return swap	-	17,213,899	-	17,213,899
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	-	17,213,899	-	17,213,899
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 31 December 2022				
Assets				
Investment				
- Equity securities	9,882,048	39,189	-	9,921,237
Derivative financial instruments				
- Unlisted funded total return swap	-	9,013,645	-	9,013,645
	<u>9,882,048</u>	<u>9,052,834</u>	<u>-</u>	<u>18,934,882</u>
Total assets	<u>9,882,048</u>	<u>9,052,834</u>	<u>-</u>	<u>18,934,882</u>

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. Management has used best estimation and assessed all available information and considers that the last traded price was the best estimation of the fair value of level 2 investments and unlisted funded total return swap as at 31 December 2023 and 2022. As at 31 December 2023 and 2022, unlisted funded total return swap is classified within level 2.

As at 31 December 2023, the Sub-Fund did not hold any listed equity investments classified in level 2. As at 31 December 2022, two listed equity investments held by the Sub-Fund amounted to RMB39,189 representing 0.22% of the net assets value of the Sub-Fund, were suspended for trading due to business restructuring and was classified as level 2.

During the year ended 31 December 2023, no suspended equity investments has been transferred from level 1 to level 2 and classified as level 2 investments. During the year ended 31 December 2022, the suspended equity investment of RMB39,189 has been transferred from level 1 to level 2 and classified as level 2 investments. The securities which were suspended for trading as at 31 December 2022 have resumed trading after 31 December 2022.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or do not trade. As at 31 December 2023, there was one (2022: nil) investment held by the Sub-Fund classified in level 3.

As at 31 December 2023, the Sub-Fund held 7,800 units of equity security, Zhongtian Financial Group, that had no active trading market. The Manager has assessed the fair value and considered that there is high uncertainty of the future settlement of the equity security. Therefore, the Manager has marked its fair value to RMB nil.

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

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

During the year ended 31 December 2023, there was one investment amounting to RMB Nil transferred from level 1 to level 3. During the year ended 31 December 2022, there was no transfer between level 1 and level 3.

The following table presents the movements in level 3 investments of the Sub-Fund for the year ended 31 December 2023:

	Year ended 31 December 2023 RMB
Opening balance	-
Transfer from level 1 to level 3	11,627
Sales	(5,729)
Purchase	6,601
Net losses recognised in statement of comprehensive income	(12,499)
	<hr/>
Closing balance	-
	<hr/> <hr/>
Change in unrealised gains or losses for level 3 assets held at period end and included in the statement of comprehensive income at the end of the period	(5,069)
	<hr/> <hr/>

The assets and liabilities included in the statement of financial position, other than investments and derivative financial instruments, 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.

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(f) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 31 December 2023 and 2022, the Sub-Fund was subject to a master netting arrangement with its sole derivative counterparty. All of the derivative assets and liabilities of the Sub-Fund are held with this counterparty and the margin balance maintained by the Sub-Fund is for the purpose of providing collateral on derivative positions.

The following tables present the Sub-Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial assets <i>RMB</i>			D(i)	D(ii)	
				Financial instruments <i>RMB</i>	Collateral <i>RMB</i>	Net amount <i>RMB</i>
As at 31 December 2023						
Financial assets						
Derivative financial instrument						
- Unlisted						
funded total						
return swap	17,213,899	-	17,213,899	-	17,213,899	-
	<u>17,213,899</u>	<u>-</u>	<u>17,213,899</u>	<u>-</u>	<u>17,213,899</u>	<u>-</u>
	<u>17,213,899</u>	<u>-</u>	<u>17,213,899</u>	<u>-</u>	<u>17,213,899</u>	<u>-</u>

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(f) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial assets <i>RMB</i>			D(i)	D(ii)	
				Financial instruments <i>RMB</i>	Collateral <i>RMB</i>	Net amount <i>RMB</i>
As at 31 December 2022						
Financial assets						
Derivative financial instrument						
- Unlisted funded total return swap						
	9,013,645	-	9,013,645	-	9,013,645	-
	<u>9,013,645</u>	<u>-</u>	<u>9,013,645</u>	<u>-</u>	<u>9,013,645</u>	<u>-</u>

Amount in D(i) and D(ii) above relate to amounts to set-off that do not qualify for offsetting under (B) above. This includes (i) amounts which are subject to set-off against the asset (or liability) disclosed in (A) which have not been offset in the statement of financial position and (ii) any financial collateral (including cash collateral), both received and pledged.

The Sub-Fund and its counterparty have elected to settle all transactions on a gross basis. However, each party has the option to settle all open contracts on a net basis in the event of default of the other party. Per the terms of the master netting agreement, an event of default includes the following:

- failure by a party to make payment when due;
- bankruptcy.

9. DISTRIBUTION

There were no distribution during the years ended 31 December 2023 and 2022.

10. 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 CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

10. TRANSACTION COSTS (CONTINUED)

Swap fees

Swap fees include all costs associated with swap transactions which represents the brokerage commission and the swap counterparty's costs of financing the underlying hedge in order to provide the performance.

If the swap fee is a positive figure, the fee is paid to the swap counterparties by the Sub-Fund and vice versa, a negative figure denotes that the fee is paid to the Sub-Fund by the swap counterparties.

Swap fees are borne by the Sub-Fund in trading swap contracts and are inclusive of any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swap contracts. The swap fees are included in the statement of comprehensive income as part of income from derivative counterparties which are accrued daily and spread over the period of the swap contracts.

11. FINANCIAL INSTRUMENTS BY CATEGORY

As of 31 December 2023 and 2022, all financial assets, other than investments and derivative financial instruments as disclosed in the financial statements which are classified as financial assets at fair value through profit or loss, are categorised as per HKFRS 9 as carried at amortised costs. All the financial liabilities of the Sub-Fund are carried at amortised cost.

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).

The Sub-Fund is seeking to achieve its investment objective and invests up to 100% of the Sub-Fund's NAV in financial derivative instruments, which is fully funded total return swaps with one or more counterparties in order to track the performance of the CSI 500 Index. The Sub-Fund invests 99.54% (2022: Nil) of its net assets in a fully funded total return swaps, which provides exposure to the performance of the CSI 500 Index as at 31 December 2023. As the Sub-Fund invests in index-based financial derivative instruments, the underlying asset of such financial derivative instruments are not required to be aggregated for the purposes of this investment limitations. Further, the Sub-Fund received collateral fully covered the exposure of the fully funded total return swaps from the counterparties, the exposure of the counterparties is reduced to less than 10% to the Sub-Fund .

The Manager and the Trustee have confirmed that the Sub-Fund has complied with this limit during the year ended 31 December 2023 and 2022.

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 CSI 500 Index as at 31 December 2023 and 2022.

During the year ended 31 December 2023, the CSI 500 Index decreased by 6.06% (2022: decreased by 19.05%) while the net asset value per unit of the Sub-Fund decreased by 6.14% (2022: decreased by 22.58%).

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

NOTES TO THE FINANCIAL STATEMENTS

13. SOFT COMMISSION ARRANGEMENT

The Manager has entered into soft commission arrangements during the years ended 31 December 2023 and 2022 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 2023, the Manager obtained services through soft dollar arrangements on transactions amounting to RMB27,901,797 (2022: RMB23,872,673). Commission which amounted to RMB11,153 (2022: RMB9,560) is paid from the Sub-Fund on these transactions.

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 swap and securities. The objectives of the Sub-Fund are to track the performance of the CSI 500 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 PRC securities which constitute CSI 500 Index, the tracked index.

The Sub-Fund has no other assets classified as non-current assets. As at 31 December 2023, the Sub-Fund invested in 99.54% of the Sub-Fund's net asset value into a financial derivative instrument that track the performance of the CSI 500 Index while as at 31 December 2022, the Sub-Fund has a diversified portfolio of investments and no investment accounts for more than 10% of the Sub-Fund's net asset value.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustee and the Manager on 29 April 2024.

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

INVESTMENT PORTFOLIO (Unaudited)
As at 31 December 2023

	Holdings	Fair value RMB	% of net assets
Investments and derivative financial instruments (99.54%)			
Listed equities (0.00%)			
China (0.00%)			
ZHONGTIAN FINANCIAL GROUP -A	7,800	-	-
		-	-
Unlisted funded total return swap (99.54%)			
CSI 500 NTR		17,213,899	99.54
Total investments and derivative financial instruments		17,213,899	99.54
Other net assets		79,877	0.46
Net assets attributable to unitholders at 31 December 2023		17,293,776	100.00
Total investments and derivative financial instruments, at cost		19,098,689	

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the year ended 31 December 2023

	% of net asset value 2023	% of net asset value 2022
Listed equities - by industry		
Basic materials	-	10.99
Consumer cyclical	-	0.46
Consumer defensive	-	0.40
Consumer discretionary	-	5.57
Consumer staples	-	3.14
Energy	-	1.51
Financials	-	4.51
Health care	-	5.99
Industrials	-	9.51
Real Estate	-	1.34
Technology	-	7.03
Telecommunications	-	1.41
Utilities	-	1.99
	<hr/>	<hr/>
	-	53.85
Unlisted funded total return swap		
CSI 500 NTR	99.54	48.92
	<hr/>	<hr/>
Total investments and derivative financial instruments	99.54	102.77
Other net assets/(liabilities)	0.46	(2.77)
	<hr/>	<hr/>
Net assets attributable to unitholders at 31 December	<u>100.00</u>	<u>100.00</u>

**CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))**

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 31 December 2023

Unlisted funded total return swap (99.54%)

The details of unlisted funded total return swap held by the Sub-Fund as at 31 December 2023 are as follows:

	Underlying assets	Counterparty	Fair value RMB
<u>Financial assets:</u>			
CSI 500 NTR	CSI 500 Net Total Return Index	Societe Generale, Paris	17,213,899
			<u>17,213,899</u>

Swap fees

The Sub-Fund will bear the swap fees, which includes all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent the brokerage commission and the swap counterparty's cost of financing the underlying hedge. Swap fees are accrued daily and spread out over the month. The Sub-Fund shall bear the swap fees (including any costs associated with the entering into, or unwind or maintenance of, any hedging arrangements in respect of such swaps).

The swap fees of the Sub-Fund was RMB -166,561* (2022: RMB -13,829) for the year ended 31 December 2023.

* A positive figure denotes the fee that the Sub-Fund pays to the swap counterparties. A negative figure denotes the fee that the swap counterparties paid to the Sub-Fund.

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

HOLDINGS OF COLLATERAL (Unaudited)

As at 31 December 2023

Collateral provider	Nature of the collateral	Maturity tenor	Currency denomination	% of net asset value covered by collateral	Value of the collateral RMB*
Societe Generale, Paris	Government bond	1 Sep 2024	JPY	16.98%	2,936,766
Societe Generale, Paris	Government bond	20 Mar 2030	JPY	26.33%	4,553,852
Societe Generale, Paris	Government bond	20 Mar 2025	JPY	28.56%	4,939,137
Societe Generale, Paris	Government bond	20 Mar 2029	JPY	28.60%	4,945,262
				100.47%	17,375,017

* The credit ratings of the collateral are at or above investment grade.

Custody/safe-keeping arrangement

	Amount of collateral received/held 31 December 2023 RMB	Proportion of collateral posted by the Sub-Fund 31 December 2023 %
Custodians of collateral		
Pooled accounts		
The Hongkong and Shanghai Banking Corporation Limited, Hong Kong	17,375,017	100%

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Sub-Fund's total net asset value for the years ended 31 December 2023 and 2022.

	2023	2022
	% of NAV	% of NAV
Lowest gross exposure	44.60	46.89
Highest gross exposure	98.60	98.13
Average gross exposure	69.76	50.37

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Sub-Fund's total net asset value for the years ended 31 December 2023 and 2022.

	2023	2022
	% of NAV	% of NAV
Lowest net exposure	44.60	46.89
Highest net exposure	98.60	98.13
Average net exposure	69.76	50.37

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

PERFORMANCE RECORD (Unaudited)

Net asset value

	Net asset value of the Sub-Fund* <i>RMB</i>	Net asset value per unit <i>RMB</i>
At the end of financial year		
31 December 2023*	17,592,434	14.6604
31 December 2022*	18,969,480	15.8079
31 December 2021	56,320,229	20.1144

Highest and lowest net asset value per unit

	Highest issue price per unit <i>RMB</i>	Lowest redemption price per unit <i>RMB</i>
Financial year/period ended		
31 December 2023	17.2400	14.2768
31 December 2022	20.0986	14.2016
31 December 2021	21.0358	16.6441
31 December 2020 (since 18 March 2020 (date of inception))	19.0738	13.7640

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

CSOP CSI 500 ETF* (*This is a synthetic ETFs)
(A SUB-FUND OF CSOP ETF SERIES* (*This includes synthetic ETFs))

MANAGEMENT AND ADMINISTRATION

Manager and QFI Holder

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Suite 2801 - 2803, Two Exchange Square
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Hong Kong

Custodian

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

PRC Custodian

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