



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

CSOP SZSE CHINEXT ETF
Stock Codes: 83147 (RMB counter) and 03147 (HKD counter)
(A sub-fund of CSOP ETF Series)

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



CSOP SZSE CHINEXT ETF
(A SUB-FUND OF CSOP ETF SERIES)

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**CSOP SZSE CHINEXT ETF
(A SUB-FUND OF CSOP ETF SERIES)**

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The CSOP SZSE ChiNext ETF (the “CSOP ChiNext 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 13 May 2015 and commenced trading in RMB under the stock code 83147 on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 15 May 2015; following the SEHK’s dual counter model, the CSOP ChiNext ETF started trading in HKD under the stock code 03147 on the SEHK on 15 May 2015 too. The CSOP ChiNext ETF is benchmarked against the ChiNext Index and adopts the full-replication strategy. The Manager and QFI Holder of the CSOP ChiNext ETF is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The CSOP ChiNext ETF will directly invest in securities issued within the PRC mainland primarily through the QFI status of the Manager and/or the Shenzhen-Hong Kong Stock Connect. Under current regulations in the PRC mainland, generally foreign investors can invest only in the domestic securities and/or futures market through (i) certain foreign institutional investors that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies and RMB into the PRC mainland for the purpose of investing in the PRC mainland’s domestic securities and/or futures markets , or (ii) the Stock Connect Program. The CSOP ChiNext ETF will primarily use a physical representative sampling strategy by investing 50% to 100% of its NAV in Index Securities, and may use a synthetic representative sampling strategy as an ancillary strategy by investing up to 50% in FDIIs, which will mainly be funded total return swaps with one or more counterparties.

The ChiNext Index (the “Index”) is compiled and published by Shenzhen Securities Information Co., Ltd. It comprises the top 100 A-Share companies listed on the ChiNext board of the Shenzhen Stock Exchange ranked by total market capitalization, free-float market capitalization and turnovers. The Index operates under clearly defined rules published by the index provider and is a tradable index.

Fund Performance

The CSOP ChiNext ETF seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As of 30 June 2021, the dealing Net Asset Value (“NAV”) per unit of the CSOP ChiNext ETF was RMB 12.2872 and there were 65,700,000 units outstanding. The total asset under management was approximately RMB 807.3 million.

As of 30 June 2021, the dealing NAV of CSOP ChiNext ETF RMB counter (stock code 83147) performed 16.95% while the index performed 17.22%. The difference in performance between the NAV of the CSOP ChiNext ETF and the Index is mainly attributed to fees and expenses. YTD Price return of the RMB counter (stock code 83147) was 17.96%.

Exchange Liquidity

Since inception, the CSOP ChiNext ETF has attracted great investor attention from investors across the globe. The trading value of the RMB counter (stock code: 83147) remained steadily at an average daily turnover of RMB 1.5 million in June 2021. The trading value of the HKD counter (stock code: 03147) remained steadily at an average daily turnover of HKD 7.8 million in June 2021.

Portfolio Rebalance

The CSOP ChiNext ETF adopts full-replication strategy to track the Index. Since inception, the Sub-Fund has experienced twenty one index rebalances.

CSOP SZSE CHINEXT ETF
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CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	<i>Notes</i>	30 June 2021 (Unaudited) RMB	31 December 2020 (Audited) RMB
ASSETS			
NON-CURRENT ASSETS			
Deposit reserve		460	-
CURRENT ASSETS			
Investments	<i>6(c), 7(a), 7(c)</i>	486,499,741	494,092,889
Derivative financial instruments	<i>7(a), 7(b), 7(d)</i>	320,436,068	306,898,156
Dividend receivable		9,928	10,143
Interest receivable from bank deposits		465	3
Interest receivable from derivative financial instruments		416,762	318,884
Amounts due from participating dealers		-	648
Other receivables		60,277	-
Bank balances	<i>6(c)</i>	61,499,822	471,778
		<u>868,923,063</u>	<u>801,792,501</u>
Total assets		<u>868,923,523</u>	<u>801,792,501</u>
LIABILITIES			
CURRENT LIABILITIES			
Amounts due to participating dealers		293,048	-
Cash collateral liabilities		60,230,000	-
Management fee payable	<i>6(a), 6(b)</i>	603,563	655,639
Other accounts payable		529,786	548,460
Total liabilities		<u>61,656,397</u>	<u>1,204,099</u>
EQUITY			
Net assets attributable to unitholders	<i>3</i>	<u>807,267,126</u>	<u>800,588,402</u>

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

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

CSOP SZSE CHINEXT ETF
(A SUB-FUND OF CSOP ETF SERIES)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2021

	<i>Notes</i>	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>RMB</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>RMB</i>
INCOME			
Dividend income		1,957,666	2,056,719
Interest income from bank deposits	6(c)	39,398	10,293
Interest income from derivative financial instruments		751,428	315,706
Net gain on investments and derivative financial instruments	4	124,729,477	139,086,338
Other income		582,481	392,077
Total net income		<u>128,060,450</u>	<u>141,861,133</u>
EXPENSES			
Management fee	6(a), 6(b)	(3,628,856)	(2,062,161)
Transaction costs on investments		(930,514)	(829,302)
Audit fee		(91,864)	(34,855)
Safe custody and bank charges	6(d)	(76,471)	(30,867)
Legal and other professional fee		(4,748)	(161,857)
Other operating expenses	6(d)	(306,508)	(296,575)
Total operating expenses		<u>(5,038,961)</u>	<u>(3,415,617)</u>
Operating profit		<u>123,021,489</u>	<u>138,445,516</u>
Taxation	5	(108,035)	(160,864)
Total comprehensive income		<u><u>122,913,454</u></u>	<u><u>138,284,652</u></u>

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

CSOP SZSE CHINEXT ETF
(A SUB-FUND OF CSOP ETF SERIES)

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2021

<i>Notes</i>	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>RMB</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>RMB</i>
Net assets attributable to unitholders at the beginning of the period	800,588,402	437,042,006
Proceeds on issue of units	163,492,560	60,516,990
Payments on redemption of units	(279,727,290)	(184,990,230)
Net decrease from unit transactions	(116,234,730)	(124,473,240)
Total comprehensive income for the period	122,913,454	138,284,652
Net assets attributable to unitholders at the end of the period	807,267,126	450,853,418

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

	Period from 1 January 2021 to 30 June 2021 (Unaudited) Units	Period from 1 January 2020 to 30 June 2020 (Unaudited) Units
Number of units in issue at the beginning of the period	76,200,000	68,100,000
Units issued	15,300,000	8,100,000
Units redeemed	(25,800,000)	(24,300,000)
Number of units in issue at the end of the period	65,700,000	51,900,000

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

CSOP SZSE CHINEXT ETF
(A SUB-FUND OF CSOP ETF SERIES)

CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2021

	Period from 1 January 2021 to 30 June 2021 (Unaudited) RMB	Period from 1 January 2020 to 30 June 2020 (Unaudited) RMB
OPERATING ACTIVITIES		
Payments for purchase of investments	(561,786,669)	(335,303,332)
Proceeds from sale of investments	680,571,382	459,368,902
Dividend income received	1,957,881	2,056,719
Interest income from bank deposits received	38,936	10,297
Interest income from swap received	653,550	109,731
Other income received	522,204	392,077
Net increase in cash collateral liabilities	60,230,000	-
Management fee paid	(3,680,932)	(1,735,742)
Transaction costs paid	(930,514)	(829,302)
Taxation paid	(108,035)	(160,864)
Other operating expenses paid	(498,265)	(582,586)
Deposit reserve paid	(460)	-
	<hr/>	<hr/>
Net cash generated from operating activities	176,969,078	123,325,900
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FINANCING ACTIVITIES		
Proceeds on issue of units	163,493,208	60,517,638
Payments on redemption of units	(279,434,242)	(184,356,576)
	<hr/>	<hr/>
Net cash used in financing activities	(115,941,034)	(123,838,938)
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Net increase/(decrease) in cash and cash equivalents	61,028,044	(513,038)
Cash and cash equivalents at the beginning of the period	471,778	2,169,328
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	61,499,822	1,656,290
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Analysis of balances of cash and cash equivalents		
Bank balances	61,499,822	1,656,290
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The accompanying notes form an integral part of these unaudited condensed financial statements.

**CSOP SZSE CHINEXT ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED 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 30 June 2020, the Trust has nine sub-funds which are CSOP SZSE ChiNext ETF (the “Sub-Fund”), CSOP FTSE China A50 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 Hang Seng TECH Index ETF and CSOP Yinhua CSI 5G Communications Theme ETF. CSOP CSI 500 ETF, CSOP Hang Seng TECH Index ETF and CSOP Yinhua CSI 5G Communications Theme ETF were launched on 18 March 2020, 27 August 2020 and 21 October 2020 respectively. The date of inception of the Sub-Fund was 13 May 2015. 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, the ChiNext Index.

Investment Strategy until 3 January 2020

In order to achieve the investment objective of the Sub-Fund, the Manager primarily used 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 had in the underlying index. The Manager also invested not more than 5% of its net asset value in securities other than index securities in exceptional circumstances.

Investment Strategy effective from 3 January 2020

In order to achieve the investment objective of the Sub-Fund, the Manager now uses a combination of a physical representative sampling strategy and a synthetic representative sampling strategy. The Sub-Fund (i) primarily uses a physical representative sampling strategy by investing 50% to 100% of its net asset value in index securities constituting the underlying index; and (ii) where the Manager believes such investments are beneficial to the Sub-Fund and will help the Sub-Fund achieve its investment objective, uses a synthetic representative sampling strategy as an ancillary strategy by investing up to 50% in financial derivative instruments, which are unlisted funded total return swaps with one or more counterparties. Exposure of the Sub-Fund to the index securities (either through direct investment or through financial derivative instruments) is in substantially the same weightings (i.e. proportions) as these index securities have in the underlying index.

Under current regulations in the PRC mainland, generally foreign investors can invest only in the domestic securities and/or futures market through (i) certain foreign institutional investors that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies and RMB into the PRC mainland for the purpose of investing in the PRC mainland’s domestic securities and/or futures markets, or (ii) the Stock Connect Program.

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

**CSOP SZSE CHINEXT ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION (Continued)

These condensed semi-annual financial statements are prepared for the Sub-Fund only. The condensed financial statements for CSOP FTSE China A50 ETF, CSOP MSCI China A Inclusion Index ETF, ICBC CSOP S&P New China Sectors ETF, CSOP Hong Kong Dollar Money Market, CSOP CSI 500 ETF, CSOP Hang Seng TECH Index ETF and CSOP Yinhua CSI 5G Communications Theme ETF have been prepared separately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

These condensed semi-annual financial statements for the six months ended 30 June 2021 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The condensed semi-annual financial statements should be read in conjunction with the annual financial statements for the period ended 31 December 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

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

Standards and amendments to existing standards effective 1 January 2021

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

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

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

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

In accordance with the provisions of the Trust Deed dated 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.

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.

Redeemable units of the Sub-Fund are classified as equity and they are carried at the redemption amount that would be payable at the reporting date if the unitholder exercised the right to redeem the units in the Sub-Fund.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

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

	Period from 1 January 2021 to 30 June 2021 (Unaudited) Units	Period from 1 January 2020 to 30 June 2020 (Unaudited) Units
Number of units in issue at the end of the period	65,700,000	51,900,000
	As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Audited)
Net assets attributable to unitholders per unit (per statement of financial position)	12.2872	10.5064

4. NET GAIN ON INVESTMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS

	Period from 1 January 2021 to 30 June 2021 (Unaudited) RMB	Period from 1 January 2020 to 30 June 2020 (Unaudited) RMB
Net change in unrealised gain in value of investments and derivative financial instruments	42,771,466	31,211,282
Net realised gain on sale of investments and derivative financial instruments	81,958,011	107,875,034
Net foreign exchange gain	-	22
	124,729,477	139,086,338

5. 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 exempt 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. Withholding tax was charged on dividend income received from A-Shares during the period.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

5. TAXATION (Continued)

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

	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>RMB</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>RMB</i>
Withholding tax on dividend income	(107,962)	(160,864)
Withholding tax on interest income	(73)	-
Taxation	<u>(108,035)</u>	<u>(160,864)</u>

6. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

The following is a summary of significant related party transactions and transactions entered into during the period between the Sub-Fund and the Trustee, the Manager and the Connected Persons of the Manager. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the “SFC Code”). All transactions entered into during the period from 1 January 2021 to 30 June 2021, between the Sub-Fund and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms.

To the best of the Manager’s knowledge, the Sub-Fund does not have any other transactions with the Connected Persons of the Manager except for those disclosed below.

(a) Management fee

The 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, inclusive of Trustee fee and Registrar’s fee, accrued daily and calculated as at each dealing day and payable monthly in arrears.

(b) Trustee fee and Registrar’s fee

The Trustee fee and Registrar’s fee are included in the Management fee and the Manager will pay the fees of the Trustee and the Registrar out of the management fee. Refer to Note 6(a).

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

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

6. 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:

	30 June 2021 (Unaudited) RMB	31 December 2020 (Audited) RMB
Investments		
The Hongkong and Shanghai Banking Corporation Limited	485,913,149	494,092,889
HSBC Bank (China) Company Limited	586,592	-
	<u>486,499,741</u>	<u>494,092,889</u>
Bank balances		
The Hongkong and Shanghai Banking Corporation Limited	61,499,822	471,778
	<u>61,499,822</u>	<u>471,778</u>
Deposit reserve		
HSBC Bank (China) Company Limited	460	-
	<u>460</u>	<u>-</u>

Interest income amounted to RMB39,398 (for the period from 1 January 2020 to 30 June 2020: RMB10,293) was earned on these bank balances for the period ended 30 June 2021.

As at 30 June 2021, the Sub-Fund entered into swap contracts with Huatai Capital Investment Limited, a connected person of the Manager, of RMB61,082,723 (31 December 2020: RMBNil).

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

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

	Period from 1 January 2021 to 30 June 2021 (Unaudited) RMB	Period from 1 January 2020 to 30 June 2020 (Unaudited) RMB
Safe custody and bank charges	76,471	30,867
Other operating expenses	80,875	80,848

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

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

(d) Other respective amounts paid to the Manager and its connected persons

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

	Period from 1 January 2021 to 30 June 2021 (Unaudited) RMB	Period from 1 January 2020 to 30 June 2020 (Unaudited) RMB
Transaction costs of investment		
- Brokerage commission paid	13,701	-

7. FINANCIAL RISK MANAGEMENT

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

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

As at 30 June 2021 and 31 December 2020, the Sub-Fund's investments and derivative financial instruments were concentrated in the following industries:

	30 June 2021 (Unaudited)		31 December 2020 (Audited)	
	Fair value RMB	% of net asset value	Fair value RMB	% of net asset value
Listed equities in PRC and funded total return swap* – by industry				
Basic Materials	33,104,939	4.10	35,574,521	4.44
Consumer Discretionary	154,290,941	19.11	-	-
Consumer Goods	-	-	175,474,370	21.92
Consumer Services	-	-	36,630,484	4.58
Consumer Staples	65,273,070	8.09	-	-
Energy	23,426,216	2.90	-	-
Financials	57,812,873	7.16	54,282,519	6.78
Health Care	248,375,602	30.77	238,640,588	29.81
Industrials	72,004,009	8.92	125,103,645	15.63
Oil & Gas	-	-	17,889,300	2.23
Technology	129,802,399	16.08	117,395,618	14.66
Telecommunications	19,797,490	2.45	-	-
Utilities	3,048,270	0.38	-	-
	<u>806,935,809</u>	<u>99.96</u>	<u>800,991,045</u>	<u>100.05</u>

*The data of Unlisted Funded Total Return Swaps represent their underlying asset.

The Sub-Fund held 100 out of 100 (31 December 2020: 100 out of 100) constituent comprising the ChiNext Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the ChiNext Index.

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

As at 30 June 2021 and 31 December 2020, if the ChiNext Index were to increase by 25% (31 December 2020: increase by 25%) with all other variables held constant, this would increase the operating profit for the period by approximately RMB201,733,952 (31 December 2020: RMB196,005,376). Conversely, if the ChiNext Index were to decrease by 25% (31 December 2020: decrease by 25%), this would decrease the operating profit for the period by an equal amount.

**CSOP SZSE CHINEXT ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(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 30 June 2021 and 31 December 2020, interest rate risk arises only 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 RMB, 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.

The Sub-Fund may invest in financial derivative instruments ("FDIs"), which is mainly 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.

As at 30 June 2021, the Sub-Fund placed bank balances of RMB61,499,822 (31 December 2020: RMB471,778) and investments of RMB485,913,149 (31 December 2020: RMB494,092,889) with The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), which is the custodian of the Sub-Fund. The S&P credit rating of HSBC is A- (2020: A-).

As at 30 June 2021, the Sub-Fund placed bank balances of RMBNil (31 December 2020: RMBNil), deposit reserve of RMB460 (31 December 2020: RMBNil) and investments of RMB586,592 (31 December 2020: RMBNil) with HSBC Bank (China) Company Limited ("HSBC China"), which is the PRC custodian of the Sub-Fund. The Moody's credit rating of HSBC China is A1 (2020: Aa3).

As at 30 June 2021, the Sub-Fund invested in unlisted funded total return swaps were as follows:

Counterparty	Credit rating	Swap value	Collateral value	Collateral ratio
JP Morgan Securities PLC, London	Aa3	259,353,345	256,260,694	99%
Huatai Capital Investment Limited	Baa2	61,082,723	60,230,000	99%

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. 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 consider both historical analysis and forward looking information in determining any expected credit loss.

At 30 June 2021 and 31 December 2020, deposit reserve, interest receivable, amounts due from participating dealers and bank balances are held with counterparties with high credit ratings and are due to be settled within 1 month. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund.

(c) Liquidity risk

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

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

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

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

	Less than 1 month <i>RMB</i>	1 month to less than 3 months <i>RMB</i>	Over 3 months <i>RMB</i>	Total <i>RMB</i>
As at 30 June 2021				
Amounts due to participating dealers	293,048	-	-	293,048
Cash collateral liabilities	60,230,000	-	-	60,230,000
Management fee payable	603,563	-	-	603,563
Other accounts payable	12,400	500	516,886	529,786
Contractual cash outflow	61,139,011	500	516,886	61,656,397
As at 31 December 2020				
Management fee payable	655,639	-	-	655,639
Other accounts payable	28,288	1,300	518,872	548,460
Contractual cash outflow	683,927	1,300	518,872	1,204,099

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

Units are redeemed on demand at the unitholder's option. As at 30 June 2021, there were 2 (31 December 2020: 2) unitholders holding more than 10% of the 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 30 June 2021				
Total assets	868,495,908	427,155	460	868,923,523
As at 31 December 2020				
Total assets	801,463,471	329,030	-	801,792,501

(d) Fair value estimation

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

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

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

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

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

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

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 30 June 2021				
Assets				
Investments				
- Equity securities	486,499,741	-	-	486,499,741
Derivative financial instruments				
- Unlisted Funded Total				
Return Swaps	-	320,436,068	-	320,436,068
Total assets	<u>486,499,741</u>	<u>320,436,068</u>	<u>-</u>	<u>806,935,809</u>
As at 31 December 2020				
Assets				
Investments				
- Equity securities	493,959,962	132,927	-	494,092,889
Derivative financial instruments				
- Unlisted Funded Total				
Return Swaps	-	306,898,156	-	306,898,156
Total assets	<u>493,959,962</u>	<u>307,031,083</u>	<u>-</u>	<u>800,991,045</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 is the best estimation of the fair value of level 2 investments. As at 30 June 2021 and 31 December 2020, unlisted funded total return swap is classified within level 2.

As at 31 December 2020, the Sub-Fund held one Investment of RMB132,927, representing 0.02% of the net asset value of the Sub-Fund, which was suspended for trading and classified as level 2 and corresponding unlisted funded total return swap of RMB1,596,266, representing 0.20% of the net asset value of the Sub-Fund also classified as level 2. Such suspended investment held by the Sub-Fund has resumed trading subsequent to the year ended 31 December 2020. 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 2020.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

(d) Fair value estimation (Continued)

As at 30 June 2021, there was no investment held by the Sub-Fund which has been suspended for trading and classified in level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or do not trade. As at 30 June 2021 and 31 December 2020, there was no investment classified as level 3.

Transfers 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 condensed 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.

8. DISTRIBUTION

There is no distribution during the period ended 30 June 2021 and 30 June 2020.

9. FINANCIAL INSTRUMENTS BY CATEGORY

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

The carrying value of the 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.

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

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

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

There was one (31 December 2020: 1) constituent securities that individually accounted for more than 10% of the net asset value of the Sub-Fund and their respective weightings of the ChiNext Index as at 30 June 2020.

	<u>Weighting in the Index (%)</u>	<u>% of net asset value</u>
30 June 2021		
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD A SHS ORD CNY1	15.75%	15.73
31 December 2020		
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD A SHS ORD CNY1	11.69%	11.69

During the period ended 30 June 2021, the ChiNext Index increased by 17.22% (31 December 2020: increased by 64.96%) while the net asset value per unit of the Sub-Fund increased by 16.95% (31 December 2020: increased by 63.71%).

11. SOFT COMMISSION ARRANGEMENT

The Manager has entered into soft commission arrangements since 26 October 2018 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 period ended 30 June 2021 and 2020, the Manager obtained services through soft dollar arrangements valued at approximately RMB964,982,098 (30 June 2020: RMB688,193,190). Commission which amounted to RMB228,629 (30 June 2020: RMB83,373) is paid from the Sub-Fund on these transactions.

12. 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 ChiNext 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 condensed statement of financial position and condensed statement of comprehensive income.

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

The total of non-current assets of the Sub-Fund located in PRC is RMB460 (31 December 2020: RMBNil). The Sub-Fund has no other assets classified as non-current assets. As at 30 June 2021 and 31 December 2020, the Sub-Fund has a diversified portfolio of investments and one (31 December 2020: One) investment accounts for more than 10% of the Sub-Fund's net asset value.

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INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2021

	Holdings	Fair value RMB	% of net assets
Investments and derivative financial instruments (99.96%)			
Investments (60.27%)			
Listed equities (60.27%)			
China (60.27%)			
AIER EYE HOSPITAL GROUP CO A SHARE ORD CNY1	482,597	34,254,735	4.24
ANHUI ANKE BIOTECHNOLOGY GROUP CO LTD A SHRS ORD CNY1	76,604	1,141,400	0.14
ANKER INNOVATIONS TECHNOLOGY CO LTD ORD CNY1	8,200	1,373,254	0.17
BEIJING EASPRING MATERIAL TECHNOLOGY CO LTD A SHS ORD CNY1	27,400	1,539,606	0.19
BEIJING E-HUALU INFORMATION TECHNOLOGY CO LTD A SHR ORD CNY1	11,544	310,649	0.04
BEIJING ENLIGHT MEDIA CO LTD A SHR ORD CNY1	92,400	998,844	0.12
BEIJING ORIGINWATER TECHNOLOGY CO LTD A SHR ORD CNY1	90,300	660,093	0.08
BEIJING SINNET TECHNOLOGY A SHRS ORD RMB1	88,489	1,273,357	0.16
BEIJING SJ ENVIRONMENTAL PROTECTION AND NEW MATERIAL CO LTD A SHS ORD CNY1	93,900	538,986	0.07
BEIJING THUNISOFT CORP LTD ORD CNY1	154,308	2,970,429	0.37
BETTA PHARMACEUTICALS CO LTD A SHRS ORD CNY1	6,513	704,967	0.09
BGI GENOMICS CO LTD A SHRS ORD CNY1	13,295	1,576,787	0.20
BLUEFOCUS COMMUNICATION GROUP CO LTD A SHR ORD CNY1	70,014	423,585	0.05
BOYA BIO-PHARMACEUTICAL GROUP CO LTD A SHRS ORD CNY1	13,000	469,950	0.06
BSOFT CO LTD ORD CNY1	58,527	517,379	0.06
CENTRE TESTING INTERNATIONAL CORP A SHR ORD CNY1	289,500	9,229,260	1.14
CHANGSHA JINGJIA MICROELECTRON A SHS ORD CNY1	3,400	332,928	0.04
CHAOZHOU THREE CIRCLE GROUP CO LTD ORD CNY1	241,590	10,248,248	1.27
CHENGDU KANGHUA BIOLOGICAL PRODUCTS CO LTD ORD CNY1	4,850	1,303,680	0.16
CHONGQING ZHIFEI BIOLOGICAL PRODUCT CO LTD A SHRS ORD CNY1	150,317	28,068,693	3.48
CONTEC MEDICAL SYSTEMS CO LTD ORD C NY1	8,900	630,298	0.08
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD A SHS ORD CNY1	237,498	127,013,930	15.73
DIAN DIAGNOSTICS GROUP CO LTD SHRS A ORD CNY1	29,239	1,119,854	0.14
EAST MONEY INFORMATION CO LTD A SHR ORD CNY1	1,689,998	55,415,034	6.86
EOPTOLINK TECHNOLOGY INC LTD ORD CNY1	64,092	2,002,875	0.25
EVE ENERGY CO LTD A SHRS ORD CNY1	42,443	4,411,101	0.55
GINLONG TECHNOLOGIES CO LTD ORD CNY1	19,040	3,438,624	0.43
GUANGDONG BY-HEALTH BIOTECHNOLOGY CO LTD A SHS ORD CNY1	43,395	1,427,696	0.18
GUANGDONG SOUTH NEW MEDIA CO LTD ORD CNY1	3,972	193,436	0.02
GUANGZHOU SHANGPIN HOME COLLECTION CO LTD A SHS ORD CNY1	6,900	610,719	0.08
GUANGZHOU WONDFO BIOTECH CO LTD ORD CNY1	17,800	1,151,482	0.14

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INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 30 June 2021

	Holdings	Fair value RMB	% of net assets
Investments and derivative financial instruments (99.96%)			
(Continued)			
Investments (60.27%) (Continued)			
Listed equities (60.27%) (Continued)			
China (60.27%) (Continued)			
HAINAN POLY PHARM CO LTD ORD CNY1	12,300	644,520	0.08
HANGZHOU DPTECH TECHNOLOGIES CO LTD ORD CNY1	7,800	301,314	0.04
HANGZHOU TIGERMED CONSULTING CO LTD A SHR ORD NPV	23,327	4,509,109	0.56
HAPPIGO HOME SHOPPING CO L ORD CNY1	30,300	2,078,580	0.26
HITHINK FLUSH INFORMATION NETWORK CO LTD A SHS ORD CNY1	14,786	1,667,565	0.21
HUABAO FLAVOURS & FRAGRANCES CO LTD A SHRS ORD CNY1	8,600	436,192	0.05
IMEIK TECHNOLOGY DEVELOPMENT CO LTD ORD CNY1	10,600	8,362,128	1.04
INGENIC SEMICONDUCTOR CO LTD ORD CNY1	24,000	2,422,080	0.30
INTCO MEDICAL TECHNOLOGY CO LTD ORD CNY1	44,000	5,491,200	0.68
JAFRON BIOMEDICAL CO LTD A SHR ORD CNY1	90,061	7,777,668	0.96
JIANGSU LIHUA ANIMAL HUSBANDRY STOCK CO LTD ORD CNY1	12,600	417,438	0.05
JL MAG RARE-EARTH CO LTD ORD CNY1	25,420	804,035	0.10
KUNLUN TECH CO LTD ORD CNY1	31,086	509,189	0.06
LAKALA PAYMENT CO LTD ORD CNY1	11,100	313,353	0.04
LENS TECHNOLOGY CO LTD A SHRS ORD CNY1	37,539	1,104,022	0.14
LEPU MEDICAL TECHNOLOGY A SHRS CNY1	40,418	1,298,226	0.16
LEYARD OPTOELECTRONIC CO L A SHRS ORD CNY1	400,800	3,134,256	0.39
LONGSHINE TECHNOLOGY CO LTD ORD CNY1	2,600	43,732	0.01
MAXSCEND MICROELECTRONICS CO LTD ORD CNY1	23,420	12,588,250	1.56
NANJING HANRUI COBALT CO LTD A SHS ORD CNY1	45,303	3,571,689	0.44
NSFOCUS INFORMATION TECHNO ORD CNY1	22,100	352,495	0.04
OURPALM CO LTD ORD CNY1	542,600	2,306,050	0.29
OVCTEK CHINA INC ORD CNY1	17,209	1,781,992	0.22
PHARMABLOCK SCIENCES NANJING INC ORD CNY1	29,000	4,608,390	0.57
PHARMARON BEIJING CO LTD ORD CNY1	3,000	650,970	0.08
QINGDAO TGOOD ELECTRIC A ORD CNY1	117,728	3,544,790	0.44
SAI MICRO ELECTRONICS INC ORD CNY1	62,100	1,872,315	0.23
SANGFOR TECHNOLOGIES INC A SHRS ORD CNY1	6,000	1,556,880	0.19
SG MICRO CORP ORD CNY1	7,025	1,775,428	0.22
SHANDONG SINOCERA FUNCTION MATERIAL CO LTD A SHR NPV	161,275	7,862,156	0.97
SHANGHAI WANGSU SCIENCE & TECHNOLOGY CO LTD A SHARE ORD CNY1	168,000	982,800	0.12
SHENZHEN CAPCHEM TECHNOLOGY CO LTD ORD CNY1	56,000	5,605,600	0.69
SHENZHEN EVENWIN PRECISION TECH CO LTD CL A ORD CNY1	166,640	3,432,784	0.43
SHENZHEN INOVANCE TECHNOLOGY CO LTD A SHR ORD CNY1	45,087	3,348,161	0.42

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INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 30 June 2021

	Holdings	Fair value RMB	% of net assets
Investments and derivative financial instruments (99.96%)			
(Continued)			
Investments (60.27%) (Continued)			
Listed equities (60.27%) (Continued)			
China (60.27%) (Continued)			
SHENZHEN KANGTAI BIOLOGICAL PRODUCTS CO LTD A SHS ORD CNY1	24,984	3,722,616	0.46
SHENZHEN MINDRAY BIO MEDICAL ELECTRONICS CO LTD	10,069	4,833,623	0.60
SHENZHEN NEW INDUSTRIES BIOMEDICAL ENGINEERING CO LTD ORD CNY1	53,940	3,322,704	0.41
SHENZHEN SC NEW ENERGY TECHNOLOGY CORP ORD CNY1	36,403	4,223,112	0.52
SHENZHEN SUNWAY COMMUNICATION CO LTD ORD CNY1	57,612	1,779,059	0.22
SHENZHEN YINGHE TECHNOLOGY CO LTD ORD CNY1	31,100	617,646	0.08
SIASUN ROBOT & AUTOMATION CO LTD A SHR ORD CNY1	248,185	2,648,134	0.33
SICHUAN MAKER BIOTECHNOLOGY CO LTD A SHRS ORD NPV	31,400	1,321,626	0.16
SINOCARE INC A SHRS ORD NPV	65,600	2,054,592	0.25
SONGCHENG PERFORMANCE DEVELOPMENT CO LTD A SHRS ORD CNY1	296,473	4,980,746	0.62
SUNGROW POWER SUPPLY CO LTD CL A ORD CNY1	203,600	23,426,216	2.90
SUNWODA ELECTRONIC CO LTD A SHR ORD CNY1	206,974	6,739,073	0.84
SUZHOU MAXWELL TECHNOLOGIES CO LTD ORD CNY1	9,000	4,092,300	0.51
THREE SQUIRRELS INC ORD CNY1	20,140	953,830	0.12
THUNDER SOFTWARE TECHNOLOGY GO LTD ORD CNY1	27,180	4,268,891	0.53
TIANJIN CHASE SUN PHARMACEUTICAL CO LTD A SHRS ORD CNY1	58,900	250,325	0.03
VICTORY GIANT TECHNOLOGY (HUIZHOU) CO LTD A SHS ORD CNY1	21,900	478,515	0.06
WALVAX BIOTECHNOLOGY CO LTD SHS A ORD CNY1	45,246	2,791,678	0.35
WEIHAI GUANGWEI COMPOSITES CO LTD A SHRS ORD CNY1	21,600	1,640,520	0.20
WENS FOODSTUFF GROUP CO LTD A SHRS ORD CNY1	136,700	1,964,379	0.24
WINNER MEDICAL CO LTD ORD CNY1	10,200	1,260,924	0.16
WINNING HEALTH TECHNOLOGY GROUP CO LTD SHS A ORD CNY1	54,145	880,939	0.11
WUHAN JINGCE ELECTRONIC GROUP LTD ORD CNY1	12,100	742,940	0.09
WUHAN RAYCUS FIBER LASER TECHNOLOGI ES CO LTD ORD CNY1 A	3,400	387,804	0.05
WUHU TOKEN SCIENCE CO LTD A SHR ORD CNY1	157,900	1,304,254	0.16
WUXI LEAD INTELLIGENT EQUIPMENT CO LTD A SHS ORD NPV	43,192	2,597,567	0.32
XIAMEN MEIYA PICO INFORMATION COMPANY LIMITED ORD CNY1 A SHARES	30,760	535,224	0.07
XI'AN TRIANGLE DEFENSE CO LTD ORD CNY1	10,483	400,451	0.05
YEALINK NETWORK TECHNOLOGY CORP LTD A SHRS ORD CNY1	20,373	1,707,257	0.21

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INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 30 June 2021

	Holdings	Fair value RMB	% of net assets
Investments and derivative financial instruments (99.96%)			
(Continued)			
Investments (60.27%) (Continued)			
Listed equities (60.27%) (Continued)			
China (60.27%) (Continued)			
YIHAI KERRY ARAWANA HOLDINGS CO LTD ORD CNY1	5,000	424,800	0.05
YUSYS TECHNOLOGIES CO LTD ORD CNY1	31,580	590,230	0.07
ZHEJIANG JINGSHENG MECHANICAL & ELECTRICAL CO LTD A SHRS ORD CNY1	18,900	954,450	0.12
ZHEJIANG WOLVO BIO PHARMACEUTICAL CO LTD ORD NPV	49,010	3,142,521	0.39
ZHONGJI INNOLIGHT CO LTD A SHS ORD CNY1	32,025	1,233,603	0.15
ZHUZHOU HONGDA ELECTRONICS CORP LTD ORD CNY1	24,400	1,719,956	0.21
Total listed equity shares		----- 486,499,741 =====	----- 60.27 =====
Derivative financial instruments (39.69%)			
Unlisted funded total return swaps (39.69%)			
ANHUI ANKE BIOTECHNOLOGY G-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	149,280	2,224,272	0.28
BEIJING EASPRING MATERIAL-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	47,000	2,640,930	0.33
BEIJING E-HUALU INFO TECH-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	72,960	1,963,354	0.24
BEIJING ENLIGHT MEDIA CO L-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	144,300	1,559,883	0.19
BEIJING KUNLUN TECH CO LTD-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	111,600	1,828,008	0.23
BEIJING ORIGINWATER TECHNO-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	326,700	2,388,177	0.30
BEIJING SANJU ENVIRONMENTA-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	167,800	963,172	0.12
BEIJING SINNET TECHNOLOGY-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	144,900	2,085,111	0.26
BETTA PHARMACEUTICALS CO L-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	42,900	4,643,496	0.57
BGI GENOMICS CO LTD-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	33,000	3,913,800	0.48
BLUEFOCUS INTELLIGENT COMM-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	357,100	2,160,455	0.27

CSOP SZSE CHINEXT ETF
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INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 30 June 2021

	Holdings	Fair value RMB	% of net assets
Investments and derivative financial instruments (99.96%)			
(Continued)			
Derivative financial instruments (39.69%) (Continued)			
Unlisted funded total return swaps (39.69%) (Continued)			
BOYA BIO-PHARMACEUTICAL GR-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	46,600	1,684,590	0.21
B-SOFT CO LTD-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	172,380	1,523,839	0.19
CHANGSHA JINGJIA MICROELEC-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	21,200	2,075,904	0.26
DIAN DIAGNOSTICS GROUP CO-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	59,600	2,282,680	0.28
EAST MONEY INFORMATION CO LTD (UNLISTED FUNDED TOTAL RETURN SWAPS)	120	3,935	-
EVE ENERGY CO LTD-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	198,796	20,660,868	2.56
GUANGDONG BY-HEALTH BIOTECHNOLOGY (UNLISTED FUNDED TOTAL RETURN SWAPS)	114,100	3,753,890	0.46
GUANGDONG SOUTH NEW MEDIA -A (UNLISTED FUNDED TOTAL RETURN SWAPS)	20,100	978,870	0.12
GUANGZHOU SHANGPIN HOME CO-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	9,800	867,398	0.11
GUANGZHOU WONDFO BIOTECH C-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	30,160	1,951,050	0.24
HAINAN POLY PHARM CO LTD-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	43,949	2,302,928	0.28
HANGZHOU DPTECH TECHNOLOGI-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	11,900	459,697	0.06
HANGZHOU TIGERMED CONSULTING CO LTD (UNLISTED FUNDED TOTAL RETURN SWAPS)	88,000	17,010,400	2.11
HITHINK ROYALFLUSH INFORMA-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	28,400	3,202,952	0.40
HUABAO FLAVOURS & FRAGRANC-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	16,900	857,168	0.11
INGENIC SEMICONDUCTOR CO -A (UNLISTED FUNDED TOTAL RETURN SWAPS)	16,400	1,655,088	0.20
JIANGSU LIHUA ANIMAL HUSBA-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	13,700	453,881	0.06
JL MAG RARE-EARTH CO LTD-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	35,360	1,118,437	0.14
LAKALA PAYMENT CO LTD-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	73,700	2,080,551	0.26
LENS TECHNOLOGY CO LTD-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	245,100	7,208,391	0.89
LEPU MEDICAL TECHNOLOGY (UNLISTED FUNDED TOTAL RETURN SWAPS)	201,000	6,456,120	0.80
LONGSHINE TECHNOLOGY CO LT-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	61,100	1,027,702	0.13

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INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 30 June 2021

	Holdings	Fair value RMB	% of net assets
Investments and derivative financial instruments (99.96%) (Continued)			
Derivative financial instruments (39.69%) (Continued)			
Unlisted funded total return swaps (39.69%) (Continued)			
MANGO EXCELLENT MEDIA CO L-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	110,500	7,580,300	0.94
MAXSCEND MICROELECTRONICS -A (UNLISTED FUNDED TOTAL RETURN SWAPS)	18,000	9,675,000	1.20
NSFOCUS INFORMATION TECHNO-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	96,800	1,543,960	0.19
OVCTEK CHINA INC-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	78,540	8,132,817	1.01
PHARMARON BEIJING CO LTD-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	45,900	9,959,841	1.23
SANGFOR TECHNOLOGIES INC-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	34,100	8,848,268	1.10
SG MICRO CORP (UNLISTED FUNDED TOTAL RETURN SWAPS)	22,500	5,686,425	0.70
SHENZHEN INOVANCE TECHNOLOGY CO LTD (UNLISTED FUNDED TOTAL RETURN SWAPS)	303,000	22,500,780	2.79
SHENZHEN KANGTAI BIOLOGICA-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	39,300	5,855,700	0.72
SHENZHEN MINDRAY BIO-MEDIC-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	79,800	38,307,990	4.74
SHENZHEN SC NEW ENERGY TEC-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	1,300	150,813	0.02
SHENZHEN SUNWAY COMMUNICAT-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	112,700	3,480,176	0.43
SHENZHEN YINGHE TECHNOLOGY-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	47,800	949,308	0.12
SICHUAN MAKER BIOTECHNOLOG-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	48,100	2,024,529	0.25
SUNWODA ELECTRO (UNLISTED FUNDED TOTAL RETURN SWAPS)	12,000	390,720	0.05
THUNDER SOFTWARE TECHNOLOG-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	36,200	5,685,572	0.70
TIANJIN CHASE SUN PHARM-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	316,300	1,344,275	0.17
VICTORY GIANT TECHNOLOGY -A (UNLISTED FUNDED TOTAL RETURN SWAPS)	82,400	1,800,440	0.22
WALVAX BIOTECHNOLOGY CO-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	282,900	17,454,930	2.16
WANGSU SCIENCE & TECHNOLOG-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	264,600	1,547,910	0.19
WEIHAI GUANGWEI COMPOSITES-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	37,400	2,840,530	0.35

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INVESTMENT PORTFOLIO (Unaudited) (Continued)
As at 30 June 2021

	Holdings	Fair value RMB	% of net assets
Investments and derivative financial instruments (99.96%) (Continued)			
Derivative financial instruments (39.69%) (Continued)			
Unlisted funded total return swaps (39.69%) (Continued)			
WENS FOODSTUFF GROUP CO LTD (UNLISTED FUNDED TOTAL RETURN SWAPS)	1,075,000	15,447,750	1.91
WINNING HEALTH TECHNOLOGY GROUP CO (UNLISTED FUNDED TOTAL RETURN SWAPS)	293,000	4,767,110	0.59
WUHAN JINGCE ELECTRONIC GR-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	20,400	1,252,560	0.15
WUHAN RAYCUS FIBER LASER T-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	24,000	2,737,440	0.34
WUHU TOKEN SCIENCE CO LTD-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	273,700	2,260,762	0.28
WUXI LEAD INTELLIGENT EQUI-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	162,720	9,785,981	1.21
XIAMEN MEIYA PICO INFORMAT-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	61,300	1,066,620	0.13
XI'AN TRIANGLE DEFENSE CO -A (UNLISTED FUNDED TOTAL RETURN SWAPS)	48,400	1,848,880	0.23
YEALINK NETWORK TECHNOLOGY-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	35,800	3,000,040	0.37
YIHAI KERRY ARAWANA HOLDINGS CO LTD (UNLISTED FUNDED TOTAL RETURN SWAPS)	82,000	6,966,720	0.86
YUSYS TECHNOLOGIES CO LTD-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	50,240	938,986	0.12
ZHEJIANG JINGSHENG MECHANI-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	106,500	5,378,250	0.67
ZHEJIANG WOLVO BIO-PHARMAC-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	7,000	448,840	0.06
ZHONGJI INNOLIGHT CO LTD-A (UNLISTED FUNDED TOTAL RETURN SWAPS)	72,400	2,788,848	0.35
		-----	-----
Total unlisted funded total return swaps		320,436,068	39.69
		=====	=====
Total investments and derivative financial instruments		806,935,809	99.96
Other net assets		331,317	0.04
		-----	-----
Net assets attributable to unitholders at 30 June 2021		807,267,126	100.00
		=====	=====
Total investments and derivative financial instruments, at cost		622,930,044	
		=====	

CSOP SZSE CHINEXT ETF
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period from 1 January 2020 to 30 June 2021

	% of net asset value 1 January 2021 to 30 June 2021	% of net asset value For the year Ended 31 December 2020
Listed equities and unlisted funded total return swap* – by industry		
Basic Materials	4.10	4.44
Consumer Discretionary	19.11	-
Consumer Goods	-	21.92
Consumer Services	-	4.58
Consumer Staples	8.09	-
Energy	2.90	-
Financials	7.16	6.78
Health Care	30.77	29.81
Industrials	8.92	15.63
Oil & Gas	-	2.23
Technology	16.08	14.66
Telecommunications	2.45	-
Utilities	0.38	-
	<hr/>	<hr/>
Total investments and derivative financial instruments	99.96	100.05
Other net assets/(liabilities)	0.04	(0.05)
	<hr/>	<hr/>
Total net assets	<u>100.00</u>	<u>100.00</u>

*The data of Unlisted Funded Total Return Swaps represent their underlying asset.

CSOP SZSE CHINEXT ETF
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DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 30 June 2021

As at June 2021, the Sub-Fund held Funded Total Return Swaps as shown details in investment portfolio. The counterparties of the Swaps were Huatai Capital Investment Limited and JP Morgan Securities PLC, London.

HOLDINGS OF COLLATERAL (Unaudited)

As at 30 June 2021

Collateral provider	Nature of the collateral	Credit rating	Rating agencies	Maturity tenor	Currency denomination	% of net asset value covered by collateral	Value of the collateral RMB
Huatai Capital Investment Limited,	Cash collateral	N/A	N/A	N/A	RMB	7.46%	60,230,000
JP Morgan Securities PLC, London	Government bond	A1	Moody's	1-Aug-21	USD	9.84%	79,440,314
JP Morgan Securities PLC, London	Government bond	A1	Moody's	20-Sep-21	USD	0.69%	5,559,669
JP Morgan Securities PLC, London	Government bond	A1	Moody's	20-Dec-21	USD	3.98%	32,144,216
JP Morgan Securities PLC, London	Government bond	A1	Moody's	20-Sep-21	USD	13.76%	111,066,162
JP Morgan Securities PLC, London	Government bond	A1	Moody's	20-Mar-22	USD	3.47%	28,050,333
						39.20%	316,490,694
						39.20%	316,490,694

Custody/safe-keeping arrangement

	Amount of collateral received/held 30 June 2021 RMB	Proportion of collateral posted by the Sub-Fund 30 June 2021 %
Custodians of collateral securities		
Pooled accounts		
The Hongkong and Shanghai Banking Corporation Limited, Hong Kong	316,490,694	100%

**CSOP SZSE CHINEXT ETF
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PERFORMANCE RECORD (Unaudited)

Net asset value

	Dealing net asset value of the Sub-Fund* <i>RMB</i>	Dealing net asset value per unit <i>RMB</i>
At the end of financial period/year dated		
30 June 2021	807,267,126	12.2872
31 December 2020	800,588,402	10.5064
31 December 2019	437,042,006	6.4177

Highest and lowest net asset value per unit

	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
Financial year/period ended		
30 June 2021	12.2872	9.3153
31 December 2020	10.5064	6.3972
31 December 2019	6.4341	4.3661
31 December 2018	6.7968	4.3472
31 December 2017	7.4020	6.1254
31 December 2016	9.3382	7.0438
31 December 2015 (Since 13 May 2015 (date of inception))	15.0190	6.7295

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

**CSOP SZSE CHINEXT ETF
(A SUB-FUND OF CSOP ETF SERIES)**

MANAGEMENT AND ADMINISTRATION

Manager and QFI Holder

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Hong Kong

Trustee and Registrar

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Hong Kong

Custodian

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

PRC Custodian

HSBC Bank (China) Company Limited
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Service Agent

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Directors of the Manager

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

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