

ChinaAMC Global ETF Series

**ChinaAMC HSI ESG ETF**

Annual Report

For the period from  
10 November 2022 (date of inception) to 31 December 2023



ANNUAL REPORT

ChinaAMC HSI ESG ETF  
(Stock Code: 3403 (HKD Counter), 83403 (RMB Counter)  
and 9403 (USD Counter))  
(a Sub-Fund of ChinaAMC Global ETF Series)

For the period from 10 November 2022 (date of inception)  
to 31 December 2023

ChinaAMC HSI ESG ETF  
(a Sub-Fund of ChinaAMC Global ETF Series)

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**IMPORTANT :**

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about the Sub-Fund, please refer to the prospectus of the Sub-Fund which is available at our website: (<https://www.chinaamc.com.hk/product/chinaamc-hsi-esg-etf-3403-hk-83403-hk-9403-hk/>)

Investors should not rely on the information contained in this report for their investment decisions.

ChinaAMC HSI ESG ETF  
(a Sub-Fund of ChinaAMC Global ETF Series)

## MANAGEMENT AND ADMINISTRATION

### **Manager**

China Asset Management (Hong Kong) Limited  
37/F, Bank of China Tower  
1 Garden Road  
Central, Hong Kong

### **Directors of the Manager**

Gan Tian  
Li Yimei  
Li Fung Ming  
Sun Liqiang  
Yang Kun (appointed on 30 May 2023)

### **Trustee & Registrar**

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

### **Auditor**

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

### **Conversion Agent**

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

### **Listing Agent**

Altus Capital Limited  
21 Wing Wo Street  
Central, Hong Kong

### **Legal Adviser to the Manager**

Simmons & Simmons  
30/F, One Taikoo Place  
979 King's Road  
Hong Kong

ChinaAMC HSI ESG ETF  
(a Sub-Fund of ChinaAMC Global ETF Series)

MANAGEMENT AND ADMINISTRATION (continued)

**Participating Dealers**

ABN AMRO Clearing Hong Kong Limited  
Units 7001-06 & 7008B, Level 70  
International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

Barclays Bank PLC  
41/F Cheung Kong Center  
2 Queen's Road Central  
Central, Hong Kong

BNP Paribas  
60-63/F Two International Finance Centre  
8 Finance Street  
Central, Hong Kong

China International Capital Corporation Hong Kong  
Securities Limited  
29/F, One International Finance Centre  
1 Harbour View Street  
Central, Hong Kong

China Merchants Securities (HK) Co., Limited  
48/F, One Exchange Square  
8 Connaught Place  
Central, Hong Kong

CITIC Securities Brokerage (HK) Limited  
26/F CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

Citigroup Global Markets Asia Limited  
50/F, Champion Tower  
3 Garden Road  
Central, Hong Kong

CLSA Limited  
18/F, One Pacific Place  
88 Queensway  
Hong Kong

DBS Vickers (Hong Kong) Limited  
16/F One Island East  
18 Westlands Road  
Quarry Bay, Hong Kong

Goldman Sachs (Asia) Securities Limited  
68/F, Cheung Kong Center  
2 Queen's Road  
Central, Hong Kong

Haitong International Securities Company Limited  
22/F, Li Po Chun Chambers  
189 Des Voeux Road  
Central, Hong Kong

Korea Investment & Securities Asia Limited  
Suites 3716-19, Jardine House  
1 Connaught Place  
Central, Hong Kong

Merrill Lynch Far East Limited  
Level 55 Cheung Kong Center  
2 Queen's Road  
Central, Hong Kong

Mirae Asset Securities (Hong Kong) Limited  
Unit 8501, 8507-8508, 85/F  
International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

Morgan Stanley Hong Kong Securities Limited  
30-32, 35-42 & 45-47 Floor Part of Floor 3, 8-9  
International Commerce Centre  
1 Austin Road  
West Kowloon, Hong Kong

The Hongkong and Shanghai Banking Corporation  
Limited  
Level 10, HSBC Main Building  
1 Queen's Road Central, Hong Kong

UBS Securities Hong Kong Limited  
47-52/F, Two International Finance Centre  
8 Finance Street  
Central, Hong Kong

Valuable Capital Limited  
Room 2808, 28/F  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central, Hong Kong

Yue Xiu Securities Company Limited  
Rooms Nos. 4917-4937, 49/F  
Sun Hung Kai Centre  
No.30 Harbour Road  
Wanchai, Hong Kong

Zhongtai International Securities Limited  
19/F Li Po Chun Chambers  
189 Des Voeux Road Central  
Central, Hong Kong

REPORT OF THE MANAGER TO THE UNITHOLDERS

**Introduction**

The ChinaAMC HSI ESG ETF (the “Sub-Fund”) is a sub-fund of ChinaAMC Global ETF Series, an umbrella unit trust established under Hong Kong law by a trust deed dated 17 September 2015, as amended and restated from time to time, between China Asset Management (Hong Kong) Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”). The Sub-Fund is a passively-managed ETF falling within Chapter 8.6 and the Code on Unit Trusts and Mutual Funds issued by the SFC. Units of the Sub-Fund (the “Units”) are traded on The Stock Exchange of Hong Kong Limited (the “SEHK”) like stocks. The Sub-Fund’s HKD counter (stock code: 03403), RMB counter (stock code: 83403) and USD counter (stock code: 09403) commenced trading on the SEHK on 10 November 2022. The Sub-Fund is an index-tracking fund that seeks to track the performance of the HSI ESG Enhanced Index (the “Index”).

The Manager will primarily use a full replication strategy through investing directly in securities included in the Index in substantially the same weightings in which they are included in the Index. The Manager may also use a representative sampling strategy where it is not possible to acquire certain securities which are constituents of the Index due to restrictions or limited availability where the Manager considers appropriate in its absolute discretion. This means that the Sub-Fund will invest directly in a representative sample of securities that collectively has an investment profile that aims to reflect the profile of the Index. The securities constituting the representative sample may or may not themselves be constituents of the Index, provided that the sample closely reflects the overall characteristics of the Index. In pursuing a representative sampling strategy, the Manager may cause the Sub-Fund to deviate from the Index weighting on the condition that the maximum deviation from the Index weighting of any constituent will not exceed 4% or such other percentage as determined by the Manager after consultation with the SFC.

**Performance of the Sub-Fund**

The investment objective is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective. The Index is a free float adjusted market capitalisation weighted index. It aims to measure the overall performance of the Hong Kong stock market combined with environmental, social and governance (“ESG”) initiatives from international lens based on internationally recognised ESG principles, data, research and ratings. The Index intends to achieve at least 20% improvement in ESG Risk Rating over the Hang Seng Index.

The performance of the Sub-Fund is in below (Total Returns in respective currency<sup>1</sup>):

	1-Month	3-Month	Since Launch <sup>2</sup>
The Index	-1.48%	-6.11%	5.22%
HKD Counter of the Sub-Fund (NAV-to-NAV)	-1.49%	-6.11%	5.05%
HKD Counter of the Sub-Fund (Market-to-Market)	-1.37%	-5.84%	5.36%
RMB Counter of the Sub-Fund (NAV-to-NAV)	-2.11%	-8.57%	3.21%
RMB Counter of the Sub-Fund (Market-to-Market)	-2.11%	-8.15%	2.98%
USD Counter of the Sub-Fund (NAV-to-NAV)	-1.53%	-5.95%	5.54%
USD Counter of the Sub-Fund (Market-to-Market)	-1.67%	-5.80%	5.08%

<sup>1</sup> Source: Bloomberg, as of 31 December 2023. Performances of the benchmark Index and HKD Counter of the Sub-Fund are calculated in HKD while performances of RMB Counter and USD Counter of the Sub-Fund are calculated in RMB and USD. Past performance figures shown are not indicative of the future performance of the Sub-Fund. With effect from 4 December 2023, the index methodology of the Index of the Sub-Fund has been changed.

<sup>2</sup> Calculated since 10 November 2022.

ChinaAMC HSI ESG ETF  
(a Sub-Fund of ChinaAMC Global ETF Series)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

**Activities of the Sub-Fund**

According to Bloomberg, the average daily trading volume of the Sub-Fund was 441,594 units from 01 January 2023 to 31 December 2023. As of 31 December 2023, there were 188,800,000 units outstanding.

China Asset Management (Hong Kong) Limited  
22 March 2024

ChinaAMC HSI ESG ETF  
(a Sub-Fund of ChinaAMC Global ETF Series)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, China Asset Management (Hong Kong) Limited, the Manager of ChinaAMC HSI ESG ETF, a sub-fund of ChinaAMC Global ETF Series has, in all material respects, managed the Sub-Fund in accordance with the provisions of the trust deed dated 17 September 2015, as amended or supplemented from time to time, for the period from 10 November 2022 (date of inception) to 31 December 2023.

.....  
HSBC Institutional Trust Services (Asia) Limited  
22 March 2024



## STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

### **Manager's responsibilities**

China Asset Management (Hong Kong) Limited (the "Manager"), the Manager of the ChinaAMC HSI ESG ETF (the "Sub-Fund"), a sub-fund of ChinaAMC Global ETF Series (the "Trust"), is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code") and the trust deed dated 17 September 2015 (the "Trust Deed"), as amended or supplemented from time to time, 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 that period and of the transactions for the period then ended. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 assume 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.

The Trust is an umbrella unit trust governed by its Trust Deed. As at 31 December 2023, the Trust has established six sub-funds.

### **Trustee's responsibilities**

The Trustee of the Sub-Fund is required to:

- ensure that the Sub-Fund is managed by the Manager 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 on the conduct of the Manager in the management of the Sub-Fund.

## **Independent auditor's report**

To the unitholders of ChinaAMC HSI ESG ETF  
(a sub-fund of ChinaAMC Global ETF Series)

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of ChinaAMC HSI ESG ETF (a sub-fund of ChinaAMC Global ETF Series (the "Trust") and referred to as the "Sub-Fund") set out on pages 11 to 37 which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders and the statement of cash flows for the period from 10 November 2022 (date of inception) to 31 December 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial disposition of the Sub-Fund as at 31 December 2023, and of its financial transactions and cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRSs").

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Sub-Fund in accordance with the *Code of Ethics for Professional Accountants* (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

## Independent auditor's report (continued)

To the unitholders of ChinaAMC HSI ESG ETF  
(a sub-fund of ChinaAMC Global ETF Series)

## Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<b>Existence and valuation of financial assets at fair value through profit or loss</b>	
<p>As at 31 December 2023, financial assets at fair value through profit or loss amounted to HKD7,222,123,173 which represented 99.70% of the net asset value of the Sub-Fund.</p> <p>The financial assets at fair value through profit or loss were listed shares traded in Hong Kong Stock Exchange comprising 70 constituent securities of HSI ESG Enhanced Index.</p> <p>We focused on this area because the financial assets at the fair value through profit and loss represented the principal element of the financial statements.</p> <p>Disclosures in respect of the financial assets at fair value through profit or loss are set out in the material accounting policies and notes 10 to 11 to the financial statements.</p>	<p>The procedures we performed to address the key audit matter included:</p> <ul style="list-style-type: none"><li>• Obtained independent confirmation from the custodian of the financial assets at fair value through profit or loss held at 31 December 2023, and agreed the quantities held to the Sub-Fund's accounting records.</li><li>• Obtained an understanding of the valuation process of financial assets at fair value through profit or loss.</li><li>• Tested the valuation of the financial assets at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets to third-party sources at 31 December 2023.</li><li>• Assessed the adequacy of disclosures relating to financial assets at fair value through profit or loss in the financial statements.</li></ul>

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

The Manager and the Trustee of the Sub-Fund are responsible for the other information. The other information comprises the information included in the annual report (the "Annual Report"), other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independent auditor's report (continued)**

To the unitholders of ChinaAMC HSI ESG ETF  
(a sub-fund of ChinaAMC Global ETF Series)

### **Responsibilities of the Manager and the Trustee for the financial statements**

The Manager and the Trustee are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and the Trustee of the Sub-Fund are 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 Manager and Trustee either intend to liquidate the Sub-Fund or to cease operations or have no realistic alternative but to do so.

In addition, the Manager and the Trustee of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 17 September 2015 (the "Trust Deed"), as amended or supplemented from time to time, and the relevant disclosure provisions of Appendix E of the *Code on Unit Trusts and Mutual Funds* (the "SFC Code") of the Hong Kong Securities and Futures Commission.

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

## **Independent auditor's report** (continued)

To the unitholders of ChinaAMC HSI ESG ETF  
(a sub-fund of ChinaAMC Global ETF Series)

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

- Conclude on the appropriateness of the Manager and the Trustee'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 Manager and the Trustee 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 provided the Manager and the Trustee with a statement that we have complied with relevant ethical requirements regarding independence and 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 Manager and the Trustee, 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 Wong Man Kin.

Certified Public Accountants  
Hong Kong  
22 March 2024

ChinaAMC HSI ESG ETF  
(a Sub-Fund of ChinaAMC Global ETF Series)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 HKD
<b>ASSETS</b>		
Financial assets at fair value through profit or loss	10	7,222,123,173
Dividend receivables		4,757,865
Prepayment and other receivables		916
Cash and cash equivalents	5	17,543,728
<b>TOTAL ASSETS</b>		<u>7,244,425,682</u>
<b>LIABILITIES</b>		
Management fee payable	3(a)	670,361
Other payables and accruals		5,468
<b>TOTAL LIABILITIES</b>		<u>675,829</u>
<b>EQUITY</b>		
Net assets attributable to unitholders	12	<u>7,243,749,853</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>7,244,425,682</u>

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

ChinaAMC HSI ESG ETF  
(a sub-fund of ChinaAMC Global ETF Series)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 10 November 2022 (date of inception) to 31 December 2023

	Notes	Period from 10 November 2022 (date of inception) to 31 December 2023 HKD
<b>INCOME</b>		
Dividend income		66,000,222
Interest income	3(c)	92,726
Securities lending income	3(f)	22,516
Other income		372,004
		<u>66,487,468</u>
<b>EXPENSES</b>		
Management fee	3(a)	( 3,950,981)
Transaction fees	3(d), 3(e), 4	( 2,056,009)
Safe custody and bank charges	3(b)	( 37,594)
Other operating expenses		( 32,614)
		<u>( 6,077,198)</u>
<b>PROFIT BEFORE INVESTMENT LOSSES AND EXCHANGE DIFFERENCES</b>		<b>60,410,270</b>
<b>INVESTMENT LOSSES AND EXCHANGE DIFFERENCES</b>		
Net realised losses on financial assets at fair value through profit or loss		( 13,672,710)
Net change in unrealised losses on financial assets at fair value through profit or loss		( 452,549,675)
Foreign exchange gains		12,860
		<u>( 466,209,525)</u>
<b>LOSS BEFORE TAX</b>		<b>( 405,799,255)</b>
Withholding tax expense	8	( 594,017)
<b>LOSS AND TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>( 406,393,272)</b>

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

ChinaAMC HSI ESG ETF  
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 10 November 2022 (date of inception) to 31 December 2023

	Note	Units	Period from 10 November 2022 (date of inception) to 31 December 2023 HKD
At 10 November 2022 (date of inception)		-	-
Issue of units during the period		193,350,000	7,887,545,635
Redemption of units during the period		( 4,550,000)	( 179,564,010)
Distributions to unitholders	9	-	( 57,838,500)
Total profit or loss and other comprehensive income for the period		-	( 406,393,272)
At 31 December 2023		<u>188,800,000</u>	<u>7,243,749,853</u>

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



ChinaAMC HSI ESG ETF  
(a sub-fund of ChinaAMC Global ETF Series)

STATEMENT OF CASH FLOWS

For the period from 10 November 2022 (date of inception) to 31 December 2023

	Note	Period from 10 November 2022 (date of inception) to 31 December 2023 HKD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax		( 405,799,255)
Adjustments for:		
Dividend income		( 66,000,222)
Interest income		( 92,726)
		<u>( 471,892,203)</u>
Increase in financial assets at fair value through profit or loss		462,991,847
Increase in management fee payable		670,361
Increase in other payables and accruals		5,468
		<u>463,667,676</u>
Cash used in operations		( 8,224,527)
Dividend received		61,242,357
Interest received		91,810
Tax paid		( 594,017)
		<u>52,515,623</u>
Net cash flows from operating activities		<u>52,515,623</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of units*		122,791,415
Payments on redemption of units*		( 99,924,810)
Distribution paid to unitholders	9	( 57,838,500)
		<u>( 34,971,895)</u>
Net cash flows used in financing activities		<u>( 34,971,895)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
		17,543,728
Cash and cash equivalents at the beginning of the period		<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<u><u>17,543,728</u></u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash at bank	5	<u>17,543,728</u>

\* During the period ended 31 December 2023, there were non-cash transactions of HKD7,764,754,220 on proceeds from issue of units and HKD79,639,200 on payments on redemption of units.

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

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

### 1. THE TRUST

ChinaAMC Global ETF Series (the "Trust") is an umbrella unit trust governed by its trust deed dated 17 September 2015 (the "Trust Deed"), as amended or supplemented from time to time, between China Asset Management (Hong Kong) Limited (the "Manager") and HSBC Institutional Trust Services Asia Limited (the "Trustee"). The Trust Deed is governed by Hong Kong law. The Trust is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") pursuant to section 104(1) of the Securities and Futures Ordinance (the "SFO") of Hong Kong.

These financial statements relate to the sixth sub-fund of the Trust, ChinaAMC HSI ESG ETF (the "Sub-Fund"). The date of inception of the Sub-Fund was 10 November 2022. The Sub-Fund commenced trading under stock code 3403 (HKD Counter), 83403 (RMB Counter) and 9403 (USD Counter) on the Stock Exchange of Hong Kong Limited (the "SEHK") on 10 November 2022.

The investment objective of the Sub-Fund is to provide investment results that closely correspond to the performance of the HSI ESG Enhanced Index (the "Index"). The Sub-Fund is a physical exchange traded fund investing directly in the underlying Shares of the Index.

### 2. ACCOUNTING POLICY

#### 2.1. BASIS OF PREPARATION

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E of the *Code on Unit Trusts and Mutual Funds* of the SFC (the "SFC Code").

The financial statements have been prepared under the historical cost basis, except for financial assets classified at fair value through profit or loss ("FVPL") that have been measured at fair value. The financial statements are presented in Hong Kong Dollars ("HKD") and all values are rounded to the nearest HKD except where otherwise indicated.

The Sub-Fund's first audit period covered the period from 10 November 2022 (date of inception) to 31 December 2023.

#### 2.2. ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Sub-Fund has not early applied any of the new and revised IFRSs that have been issued but are not yet effective for the accounting period ended 31 December 2023, in these financial statements. Among these IFRSs, there are no new and amended standards and interpretations that are issued, but not yet effective, as of the issuance date of the Sub-Fund's financial statements that are expected to have a material impact on the Sub-Fund's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.3. MATERIAL ACCOUNTING POLICIES

Financial instruments

(i) Classification

In accordance with IFRS 9, the Sub-Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or
- On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

*Financial assets*

The Sub-Fund classifies its financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

(a) Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows and their contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Sub-Fund includes in this category short-term non-financing receivables including dividend receivables, other receivables and cash and cash equivalents.

Financial assets measured at FVPL

A financial asset is measured at FVPL if:

- Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding, or
- It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell, or
- At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Sub-Fund includes in this category instruments held for trading. This category includes equity instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.3. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Classification (continued)

*Financial liabilities*

(a) Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include all financial liabilities. The Sub-Fund includes in this category management fee payable and other payables.

(ii) Recognition

The Sub-Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Sub-Fund commits to purchase or sell the asset.

(iii) Initial measurement

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and financial liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

After initial measurement, the Sub-Fund measures financial instruments which are classified as at FVPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net change in unrealised gains or losses on financial assets at FVPL. Interest and dividend earned on these instruments are recorded separately in interest income and dividend income.

Financial assets, other than those classified as at FVPL, are measured at amortised cost using the effective interest method ("EIR") less any allowance for impairment. Gains and losses are recognised in profit or loss when the financial assets are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the EIR. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The EIR is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability.

When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses ("ECLs"). The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### (v) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Sub-Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Sub-Fund has transferred substantially all the risks and rewards of the asset, or neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Sub-Fund has transferred its rights to receive cash flows from an asset (or has entered into a pass-through arrangement) and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Sub-Fund's continuing involvement in the asset. In that case, the Sub-Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Fund has retained. The Sub-Fund derecognises a financial liability when the obligation under the liability is discharged.

#### Impairment of financial assets

For financial assets measured at amortised cost, impairment allowances are recognised under the general approach where ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Sub-Fund is required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

The Sub-Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Sub-Fund uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

#### Fair value measurement

The Sub-Fund measures its investments in financial instruments, such as equity instruments, at fair value at each reporting date.

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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- In the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Sub-Fund.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Sub-Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making use of available and supportable market data as much as possible).

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

#### Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at bank, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and from an integral part of the Sub-fund's cash management.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.3. MATERIAL ACCOUNTING POLICIES (continued)

Redeemable units

Redeemable units are classified as an equity instrument when:

- (a) the redeemable units entitle the holder to a pro-rata share of the Sub-Fund's net assets in the event of the Sub-Fund's liquidation.
- (b) the redeemable units are in the class of instruments that is subordinate to all other classes of instruments.
- (c) all redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features.
- (d) the redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro-rata share of the Sub-Fund's net assets.
- (e) the total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund over the life of the instrument.

In addition to the redeemable units having all the above features, the Sub-Fund must have no other financial instruments or contracts that have:

- (a) total cash flows based substantially on profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund, and
- (b) the effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Sub-Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Sub-Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Sub-Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

Upon issuance of redeemable units, the consideration received is included in equity. Transaction costs incurred by the Sub-Fund in issuing its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Own equity instruments that are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in the statement of profit or loss and other comprehensive income on the purchase, sale, issuance or cancellation of the Sub-Fund's own equity instruments.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.3. MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition

(a) Dividend income

Dividend income is recognised on the date when the Sub-Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding income taxes, which are disclosed separately in profit or loss.

(b) Interest income

Interest income is recognised on an accrual basis using the EIR by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(c) Securities lending income

Securities lending income is recognised on the date when the Sub-Fund's right to receive the payment is established and disclosed separately in profit or loss.

(d) Other income

Other income is recognised on the date when the Sub-Fund's right to receive the payment is established and disclosed separately in profit or loss.

Net change in unrealised gains or losses on financial assets at FVPL

This item includes changes in the fair value of financial assets at FVPL and excludes interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Net realised gains or losses on financial assets at FVPL

Realised gains and losses on disposals of financial assets at FVPL are calculated using the weighted average method. They represent the difference between an instrument's average cost and disposal amount.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.3. MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency translations

Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign currency translation gains and losses on financial instruments classified as at FVPL are included in profit or loss.

Functional and presentation currency

The Sub-Fund's functional currency is HKD, which is the currency of the primary economic environment in which it operates. The Sub-Fund's performance is evaluated and its liquidity is managed in HKD. Moreover, the net asset value per unit at the time of issue or redemption is determined and units quoted on the Hong Kong Stock Exchange are denominated in HKD.

Therefore, the HKD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Sub-Fund's presentation currency is also HKD.

Distributions to unitholders

Distributions are intended to be at least annually having regard to the Sub-Fund's net income after fees and costs. A distribution to the Sub-Fund's unitholders is accounted for as a deduction from net assets attributable to unitholders. A proposed distribution is recognised as a liability in the period in which it is approved by the Manager. No distribution will be paid out of the Sub-Fund's capital.

Taxes

The Sub-Fund is exempt from all forms of taxation in Hong Kong, including income, capital gains and withholding taxes. However, in some jurisdictions, dividend income, interest income and capital gains are subject to withholding tax deducted at the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment gains in profit or loss. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.3. MATERIAL ACCOUNTING POLICIES (continued)

Transactions fees

Transactions fees are costs incurred to acquire/dispose of financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transaction costs are expensed as incurred in the statement of profit or loss and other comprehensive income.

Formation costs

Formation costs are costs including the preparation of the Sub-Fund's Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs will be borne by the Manager.

Related parties

A party is considered to be related to the Sub-Fund if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Sub-Fund;
  - (ii) has significant influence over the Sub-Fund; or
  - (iii) is a member of the key management personnel of the Sub-Fund or of a parent of the Sub-Fund;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Sub-Fund are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Sub-Fund are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Fund or an entity related to the Sub-Fund;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Sub-Fund or to the parent of the Sub-Fund.

Securities lending

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

3. TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR CONNECTED PERSONS

The following is a summary of significant related party transactions entered into during the period between the Sub-Fund, the Trustee, the Manager and their connected persons. Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the period 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 transactions with connected persons except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee of up to 0.15% per annum of the net asset value of the Sub-Fund. The management fee is currently at a rate of 0.15% per annum with respect to the net asset value of the Sub-Fund and is accrued daily and calculated as at each dealing day and payable monthly in arrears.

The management fee incurred during the period ended 31 December 2023 amounted to HKD3,950,981. As at 31 December 2023, a management fee of HKD670,361 was payable to the Manager.

The Sub-Fund employs a single management fee structure. It pays all of its fees, costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) as a single flat fee (the "Management Fee") excluding brokerage fee, safekeeping and transaction costs, other custody fees, fees and extraordinary items such as litigation expenses. Apart from the fees and expenses stated in the statement of profit or loss and other comprehensive income, all other fees and expenses of the Sub-Fund, including but not limited to (i) the auditor's remuneration of HKD120,000, (ii) the trustee fee of HKD1,272,269, and (iii) the custody fee of HKD412,594, are borne by the Manager.

(b) Safe custody and bank charges

The Trustee is entitled to receive custodian fees from the Sub-Fund at a current rate of 0.011% per annum, calculated monthly and paid monthly in arrears.

The custodian fees for the period ended 31 December 2023 were HKD37,594. As at 31 December 2023, no custodian fee was payable to the Trustee.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

3. TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR CONNECTED PERSONS  
(continued)

(c) Bank deposit and investments held by the Trustee and its affiliates

The investments and bank balance deposited with the Trustee and its affiliates as at 31 December 2023 are summarised below:

As at 31 December 2023	Notes	2023 HKD
<u>Investments</u>		
HSBC Institutional Trust Services (Asia) Limited	10	<u>7,222,123,173</u>
<u>Bank balance</u>		
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	5	<u>17,543,728</u>

For the period ended 31 December 2023, interest income of HKD92,726 was recognised from the bank deposit with the Trustee's affiliates.

(d) Transaction fees

The Trustee is entitled to receive a transaction fee of USD10 for each rebalancing transaction. For the period ended 31 December 2023, transaction fees of HKD49,044 were incurred towards the Trustee. As at 31 December 2023, transaction fees of HKD5,468 were payable to the Trustee.

(e) Investment transactions with connected persons of the Trustee

For the period ended 31 December 2023, broker commission through HSBC Global Market, the fellow subsidiary of the Trustee, amounted to HKD3,810.

	Aggregate value of purchases and sales of securities HKD	Total commission paid HKD	% of the Sub-Fund's total transactions during the period %	Average commission rate %
For the period ended 31 December 2023				
HSBC Global Market	12,702,632	3,810	0.13%	0.03%

(f) Securities lending activities with connected persons of the Trustee

For the year ended 31 December 2023, the Sub-Fund put in place a securities lending arrangement with a related party of the Trustee (i.e. HSBC Bank Plc) as a security lending agent. The details of such transactions are as follows:

	2023 HKD
Aggregate securities lending transactions through HSBC Bank Plc	760,667,318

Details of the arrangement are disclosed in note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

4. TRANSACTION FEES

Except as disclosed in note 3(d) to the financial statements, the amount represented the broker commission charged by the relevant brokers and participating dealer, and other transaction fees including SFC transaction levy, trading fee to the SEHK and stamp duty on stock transaction to the Hong Kong SAR government incurred for purchases and sales of units.

5. CASH AND CASH EQUIVALENTS

2023  
HKD

Cash at bank 17,543,728

Cash at bank was with HSBC, an affiliate company of the Trustee of the Sub-Fund. The bank account with HSBC is an interest-bearing account. The carrying amount of the cash at bank approximates to its fair value.

6. SECURITIES LENDING TRANSACTIONS

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

The collateral will be marked-to-market on a daily basis and be safe kept by the Trustee or an agent appointed by the Trustee (Refer to Note 13(b)). Security lending income and expenses are accounted for in the statement of profit or loss on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

7. SOFT COMMISSION ARRANGEMENTS

The Manager maintains soft commission arrangements with three of its brokers in respect of the management of the Sub-Fund during the period ended 31 December 2023. The Manager has acted for the Sub-Fund in the exercise of investment discretion and has received goods or services from the brokers in consideration of directing transaction business on behalf of the Sub-Fund to the brokers only if:

- a) the goods or services are of demonstrable benefit to the Sub-Fund
- b) transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary full-service brokerage rates;
- c) the Sub-Fund has consented in writing to the receipt of the goods and services; and
- d) disclosure is made of the Manager's practices for receiving the goods and services, including a description of the goods and services received.

The Manager and its connected persons have not received any soft dollar commissions or entered into any soft dollar arrangements in respect of the management of the Sub-Fund for the period ended 31 December 2023. The Manager and its connected persons have not retained any cash rebates from any broker or dealer.

Services received by Manager from the brokers during the period ended 31 December 2023 includes research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services, and investment-related publications. The nature of the services received is such that the benefits provided under the arrangement would assist the provision of investment services to the Sub-Fund and may contribute to an improvement in the Sub-Fund's performance.

8. INCOME TAX

Hong Kong profits tax

No provision for Hong Kong profits tax has been made for the Sub-Fund. The Sub-Fund is authorised by the SFC as a collective investment scheme pursuant to Section 104 of the SFO to offer to the retail public in Hong Kong. It is exempted from Hong Kong profits tax under Section 26A (1A) of the Hong Kong Inland Revenue Ordinance.

PRC distribution tax

A 10% PRC withholding tax has been levied on dividends from PRC companies to foreign investors. As such, the HKD Qualified Foreign Institutional Investors (the "RQFII") will pass on this tax liability to the Sub-Fund in the form of distribution tax and therefore the Sub-Fund is subject to a distribution tax of 10%. There is no assurance that the rate of the distribution tax will not be changed by the PRC tax authorities in the future.

The distribution tax for the period ended 31 December 2023 was HKD594,017.

ChinaAMC HSI ESG ETF  
(a sub-fund of ChinaAMC Global ETF Series)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

9. DISTRIBUTIONS

	Distribution per unit HKD	HKD
Undistributed income at 10 November 2022 (date of inception)		-
Loss and total other comprehensive income		(406,393,272)
Add: Net loss on financial assets at fair value through profit or loss		<u>466,222,385</u>
Undistributed income before distribution		<u>59,829,113</u>
Interim distribution declared		
on 2 December 2022 (paid on 30 December 2022)	0.05	(902,500)
on 7 March 2023 (paid on 31 March 2023)	0.12	(2,166,000)
on 5 June 2023 (paid on 30 June 2023)	0.30	(5,415,000)
on 5 September 2023 (paid on 29 September 2023)	0.63	(11,655,000)
on 1 December 2023 (paid on 29 December 2023)	0.20	<u>(37,700,000)</u>
Transfer to capital		<u>(1,990,613)</u>
Undistributed income at 31 December 2023		<u><u>-</u></u>

The Manager may in its absolute discretion distribute income to unitholders at such time or times as it may determine in each financial year or determine that no distribution shall be made in any financial year. The amount to be distributed to unitholders, if any, will be derived from the net income of the Sub-Fund.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 HKD
Financial assets at fair value through profit or loss	
- listed equity securities	<u>7,222,123,173</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

### 11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets traded in active markets is based on quoted market prices at the close of trading on the period end date.

The Sub-Fund utilises the last traded market price for financial assets 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 Manager will determine the point within the bid-ask spread that is most representative of fair value.

The Sub-Fund's fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

When a price for an identical asset or liability is not observable, the Sub-Fund measures fair value using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, the Sub-Fund's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

Even when there is no observable market to provide pricing information about the sale of an asset or the transfer of a liability at the measurement date, a fair value measurement shall assume that a transaction takes place at that date, considered from the perspective of a market participant that holds the asset or owes the liability. That assumed transaction establishes a basis for estimating the price to sell the asset or to transfer the liability.

#### Valuation techniques

##### *Level 1*

When fair values of listed equity securities at the reporting date are based on quoted market prices or binding dealer price quotations in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy. The Sub-Fund values these investments at last traded prices.

##### *Level 2*

Financial instruments traded in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. The listed equity securities were actively traded, and hence, no investments were classified as Level 2 during the period.

##### *Level 3*

The valuation of investments suspended from trading is performed on a daily basis by the portfolio manager of the Manager and reviewed by senior management of the Manager and the Trustee. The fair value of those investments which do not resume trading in a short period of time subsequent to the period end for which there was an absence of quoted prices was estimated by the Manager using the market approach in which the last traded price before the suspension of trading was used and then adjusted by applying a liquidity discount and adjusted NAV. Such valuation methods are generally accepted in the industry. The model incorporates unobservable inputs which include the qualitative assessment. The Sub-Fund classified the fair value of these investments as Level 3. The listed equity securities were actively traded, and hence, no investments were classified as Level 3 during the period.



ChinaAMC HSI ESG ETF  
(a sub-fund of ChinaAMC Global ETF Series)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

11. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Valuation techniques (continued)

The following table shows an analysis of the Sub-Fund's financial assets measured at fair value at 31 December 2023:

	Quoted prices in active markets Level 1 HKD	Significant observable inputs Level 2 HKD	Significant unobservable inputs Level 3 HKD	Total HKD
2023				
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	7,222,123,173	-	-	7,222,123,173

For the period ended 31 December 2023, there were no transfers of fair value measurements between Level 1 and Level 2, and no transfers into or out of Level 3.

12. REDEEMABLE UNITS

	2023 Units
Number of units at the beginning of the period	-
Units issued	193,350,000
Units redeemed	<u>(4,550,000)</u>
Number of units at the end of the period	<u>188,800,000</u>
	HKD
Net assets attributable to unitholders at the end of the period	<u>7,243,749,853</u>
	HKD
Net assets per unit at the end of the period	<u>38.3673</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

12. REDEEMABLE UNITS (continued)

The creation and redemption of units of the Sub-Fund can only be facilitated by or through participating dealers. Investors other than the participating dealers make a request to create or redeem units through a participating dealer, and if the investor is a retail investor, such request must be made through a stockbroker which has opened an account with a participating dealer.

The Trustee shall receive subscription proceeds from the participating dealers for the creation of units and pay redemption proceeds for the redemption of units to the relevant participating dealer in such form and manner as prescribed by the Trust Deed.

Units are denominated in base currency and no fractions of a unit shall be created or issued by the Trustee. Units of the Sub-Fund are offered and issued at their dealing net assets value only in aggregation of a specified number of application units ("Application Unit"). Units are redeemable only in an Application Unit or the multiple thereof at the dealing net asset value. Currently, creation and redemption of units will be effected in securities and/or cash.

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management

The Sub-Fund's objective in managing risk is the creation and protection of unitholders' value. Risk is inherent in the Sub-Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Sub-Fund's continuing profitability. The Sub-Fund is exposed to market risk (which includes equity price risk, interest rate risk and currency risk), credit risk and liquidity risk arising from the financial instruments it holds.

The Manager is responsible for identifying and controlling risks. The board of directors of the Manager supervises the Manager and is ultimately responsible for the overall risk management approach within the Sub-Fund.

The Sub-Fund itself is subject to various risks. The main risks associated with the investments, assets and liabilities of the Sub-Fund are set out below:

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices either caused by factors specific to the individual instrument or factors affecting all instruments in the market.

(i) Equity price risk

The Sub-Fund invested substantially all of its assets in shares of those companies comprising the Index in substantially the same weightings as constituted in the Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the Index.

When there are changes in the constituent shares comprising the index and/or their respective weightings within the Index, the Manager will rebalance the composition of the relevant investment holdings or the underlying dynamic basket of shares of selected constituent companies of the Index.

As at 31 December 2023, the Sub-Fund's investments were concentrated in the following industries.

Share holdings - By Sectors	2023	
	Fair value HKD	% of net asset value
Communications	1,621,860,475	22.39
Consumer Cyclical	1,007,420,448	13.90
Consumer Non-cyclical	516,378,627	7.13
Energy	10,833,356	0.15
Financial	3,544,294,286	48.93
Industrial	149,772,653	2.07
Technology	301,965,898	4.17
Utilities	69,597,430	0.96
<b>Grand Total</b>	<b><u>7,222,123,173</u></b>	<b><u>99.70</u></b>

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

As at 31 December 2023, if the Index was to increase by 5% with all other variables held constant, profit before tax of the Sub-Fund for the period would increase by approximately HKD361,106,159. Conversely, if the Index was to decrease by 5%, the operating profit for the period would decrease by an approximately equal amount.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flows will fluctuate due to changes in market interest rates.

The Manager considers that the Sub-Fund is not subject to a significant amount of risk due to fluctuations in the prevailing level of market interest rate. As the financial instruments of the Sub-Fund are predominately listed equities, which are non-interest-bearing, the Manager considers that the exposure to the changes in the fair value in the event of a change in market interest rates is not significant. Therefore, no sensitivity analysis is presented.

(iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

100% of the Sub-Fund's sales and purchases were denominated in the Sub-Fund's functional currency. Assets and liabilities held by the Sub-Fund are mainly denominated in HKD, the functional currency of the Sub-Fund. Therefore, the Manager considers the Sub-Fund is not exposed to significant currency risk and no sensitivity analysis is presented.

(b) Credit and counterparty risk

Credit risk is the risk of loss to the Sub-Fund that may arise on outstanding financial instruments should a counterparty default on its obligations. The Sub-Fund minimises exposure to credit risk by only dealing with creditworthy counterparties.

All transactions by the Sub-Fund in securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received the payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Manager's policy is to closely monitor the creditworthiness of the Sub-Fund's counterparties (e.g., brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit and counterparty risk (continued)

As at 31 December 2023

HKD

Custodian

HSBC Institutional Trist Services (Asia) Limited

- Financial assets at FVPL	7,222,123,173
- Financial assets at FVPL under securities lending transaction	180,604,687

Bank

The Hongkong and Shanghai Banking Corporation Limited ("HSBC")

- Cast at bank	17,543,728
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Brokers

JP Morgan Luxembourg SA

- Collateral received under securities lending transaction	6,324,756
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Bank of New York Mellon S.A.

- Collateral received under securities lending transaction	199,010,495
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Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9's impairment disclosure requirements or not.

**Financial assets subject to IFRS 9's impairment requirements**

The Sub-Fund's financial assets subject to the ECLs model within IFRS 9 are dividend receivables, other receivables and cash and cash equivalents. As at 31 December 2023, the total of dividend receivables, other receivables and cash and cash equivalents was HKD22,302,509 on which no loss allowance had been provided. It is considered that there is no concentration of credit risk within these assets. No assets are considered to be impaired and no amounts have been written off in the period.

For financial assets measured at amortised cost, the Sub-Fund applies the general approach for impairment, and there is no information indicating that the financial asset had a significant increase in credit risk since initial recognition. The financial assets therefore are still classified as stage 1 and presented in gross carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit and counterparty risk (continued)

**Financial assets subject to IFRS 9's impairment requirements (continued)**

In calculating the loss allowance, a provision matrix has been used based on historical observed loss rates over the expected life of the receivables adjusted for forward-looking estimates. Items have been grouped by their nature into the following categories: dividend receivables, other receivables and cash and cash equivalents. All the Sub-Fund's cash and cash equivalents are held in major financial institutions located in Hong Kong, The Manager considers the Sub-Fund is not exposed to significant credit risk and no loss allowance has been made.

**Financial assets not subject to IFRS 9's impairment requirements**

The Sub-Fund is exposed to credit risk on equity securities. This class of financial assets is not subject to IFRS 9's impairment requirements as they are measured at FVPL. The carrying value of these assets under IFRS 9 represents the Sub-Fund's maximum exposure to credit risk on financial instruments not subject to IFRS 9's impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Sub-Fund will encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Sub-Fund could be required to pay its liabilities or redeem its units earlier than expected. The Sub-Fund is exposed to daily cash redemptions of its redeemable units. Units are redeemable at the holder's option based on the Sub-Fund's net asset value per unit at the time of redemption, calculated in accordance with the Sub-Fund's Trust Deed. It is the Sub-Fund's policy that the Manager monitors the Sub-Fund's liquidity position on a daily basis.

The table below summarises the maturity profile of the Sub-Fund's financial assets and liabilities at the end of the reporting period based on contractual undiscounted cash flows in order to provide a complete view of the Sub-Fund's contractual commitments and liquidity.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Sub-Fund can be required to pay.

Financial assets

Analysis of equity securities at fair value through profit or loss into maturity groupings is based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date on which the assets will be realised.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Liquidity risk (continued)

Financial assets (continued)

	On demand HKD'000	Less than 1 month HKD'000	1 to 3 months HKD'000	4 to 12 months HKD'000	Total HKD'000
At 31 December 2023					
<u>Financial assets</u>					
Financial assets at fair value through profit or loss	-	7,222,123	-	-	7,222,123
Dividend receivables	-	4,758	-	-	4,758
Other receivables	-	-	1	-	1
Cash and cash equivalents	17,544	-	-	-	17,544
<b>Total</b>	<b>17,544</b>	<b>7,226,881</b>	<b>1</b>	<b>-</b>	<b>7,244,426</b>
<u>Financial liabilities</u>					
Management fee payable	-	670	-	-	670
Other payables	-	6	-	-	6
<b>Total</b>	<b>-</b>	<b>676</b>	<b>-</b>	<b>-</b>	<b>676</b>

Capital management

The Sub-Fund's capital is represented by its net assets attributable to unitholders. The Sub-Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

The Manager manages the capital of the Sub-Fund in accordance with the Sub-Fund's investment objectives and policies stated in the prospectus.

14. SEGMENT INFORMATION

The Manager makes 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 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 profit or loss and other comprehensive income.

The Sub-Fund is domiciled in Hong Kong. All of the Sub-Fund's income is derived from investments in securities which constitute its tracked index. The Sub-Fund's investments are mainly domiciled in Hong Kong.

The Sub-Fund has no assets classified as non-current assets. The Sub-Fund has portfolios that closely correspond to the security weight and industry weight of its tracked index.

ChinaAMC HSI ESG ETF  
(a sub-fund of ChinaAMC Global ETF Series)

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

### 15. EVENTS AFTER THE REPORTING PERIOD

During the period between the period end and the date of authorisation of these financial statements, there were 4,750,000 units of subscription and 700,000 units of redemption of the Sub-Fund.

### 16. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 22 March 2024.



ChinaAMC HSI ESG ETF  
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INVESTMENT PORTFOLIO

As at 31 December 2023

	Holdings	Fair value HKD	% of Net Assets
<b>Listed equities</b>			
<b><u>Hong Kong</u></b>			
<b>Communications</b>			
Alibaba Group Holding Ltd	3,081,839	232,987,028	3.22
Baidu Inc	741,917	86,136,564	1.19
China Mobile Ltd	1,616,163	104,727,362	1.44
China Unicom (Hong Kong)	974,248	4,773,815	0.07
JD.Com Inc	533,420	60,009,750	0.83
Meituan	2,841,626	232,729,169	3.21
Tencent Holdings Ltd	1,880,587	552,140,343	7.62
Trip Com Group Ltd	57,636	15,999,754	0.22
Xiaomi Corp	21,304,916	332,356,690	4.59
<b>Consumer Cyclical</b>			
Alibaba Health Information Technology Ltd	3,748,216	15,892,436	0.22
Anta Sports Products Ltd	2,567,865	194,515,774	2.68
BYD Co Ltd	261,879	56,146,858	0.77
Chow Tai Fook	3,746,889	43,538,850	0.60
Galaxy Entertainment Group Ltd	532,923	23,315,381	0.32
Geely Automobile Holdings Ltd	9,410,371	80,835,087	1.12
Haidilao International Holding Ltd	292,371	4,251,074	0.06
Haier Smart Home Co Ltd	586,386	12,929,811	0.18
JD Health International Inc	1,205,637	47,140,407	0.65
Li Auto Inc	1,023,346	150,534,197	2.08
Li Ning Co Ltd	5,492,570	114,794,713	1.58
Sands China Ltd	4,254,096	97,206,094	1.34
Shenzhou International Group	1,565,278	125,848,351	1.74
Zhongsheng Group Holdings Ltd	2,166,564	40,471,415	0.56
<b>Consumer Non-cyclical</b>			
Budweiser Brewing Co Apac Ltd	2,900,115	42,399,681	0.59
China Mengniu Dairy Co Ltd	568,084	11,929,764	0.16
China Resources Beer Holdings Co Ltd	308,158	10,539,004	0.14
CK Hutchison Holdings Ltd	635,574	26,598,772	0.37
CSPC Pharmaceutical Group Ltd	1,422,780	10,329,383	0.14
Hansoh Pharmaceutical Group Co Ltd	550,600	8,677,456	0.12
Hengan International Group Co Ltd	127,217	3,695,654	0.05
Nongfu Spring Co Ltd	684,024	30,883,684	0.43
Sino Biopharmaceutical Ltd	1,753,432	6,084,409	0.08
Sinopharm Group Co Ltd	2,155,266	44,075,190	0.61
Tingyi (Cayman Islands) Holdings Corp	274,222	2,610,593	0.04
Wuxi Apptec Co Ltd	800,012	63,560,953	0.88
Wuxi Biologics Cayman Inc	8,614,665	254,994,084	3.52

ChinaAMC HSI ESG ETF  
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INVESTMENT PORTFOLIO (continued)

As at 31 December 2023

	Holdings	Fair value HKD	% of Net Assets
<b>Listed equities</b> (continued)			
<b>Hong Kong</b> (continued)			
<b>Energy</b>			
Xinyi Solar Holdings Ltd	2,375,736	10,833,356	0.15
<b>Financial</b>			
AIA Group Ltd	8,568,018	583,053,625	8.05
Bank of China Ltd	16,376,665	48,802,462	0.67
BOC Hong Kong Holdings Ltd	1,685,181	35,725,837	0.49
China Construction Bank Corp	21,078,417	98,014,639	1.35
China Life Insurance Co Ltd	2,253,415	22,804,560	0.32
China Merchants Bank Co Ltd	1,372,150	37,322,480	0.52
China Overseas Land & Investment Ltd	7,466,473	102,738,668	1.42
China Resources Land Ltd	2,209,585	61,868,380	0.85
China Resources Mixc Lifestyle Services Limited	1,954,857	54,442,767	0.75
CK Asset Holdings Ltd	3,269,789	128,175,729	1.77
Country Garden Services Holdings Co Ltd	6,528,610	44,068,118	0.61
Hang Lung Properties Ltd	3,852,535	41,915,581	0.58
Hang Seng Bank Ltd	1,161,627	105,766,138	1.46
Henderson Land Development	2,516,303	60,517,087	0.84
Hong Kong Exchanges And Clearing Ltd	1,990,387	533,423,716	7.36
HSBC Holdings Plc	4,799,091	302,342,733	4.17
Industrial And Commercial Bank of China	12,620,199	48,209,160	0.67
Link REIT	8,470,445	371,429,013	5.13
Longfor Group Holdings Ltd	4,972,766	62,159,575	0.86
New World Development Ltd	2,798,007	33,911,845	0.47
Ping An Insurance (Group) Co of China Ltd	10,517,714	371,801,190	5.13
Sun Hung Kai Properties Ltd	3,895,697	328,991,612	4.54
Wharf Real Estate Investment Co Ltd	2,530,658	66,809,371	0.92
<b>Industrial</b>			
MTR Corp Ltd	2,086,863	63,231,949	0.87
Orient Overseas International Ltd	146,125	15,927,625	0.22
Sunny Optical Technology Group Co Ltd	308,593	21,863,814	0.30
Techtronic Industries Co Ltd	476,921	44,377,499	0.62
Xinyi Glass Holdings Co Ltd	499,060	4,371,766	0.06
<b>Technology</b>			
Lenovo Group Ltd	12,514,620	136,659,650	1.89
Netease Inc	1,093,600	153,760,160	2.12
Semiconductor Manufacturing International Corp	581,374	11,546,088	0.16

ChinaAMC HSI ESG ETF  
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INVESTMENT PORTFOLIO (continued)

As at 31 December 2023

	<b>Holdings</b>	<b>Fair value HKD</b>	<b>% of Net Assets</b>
<b>Listed equities</b> (continued)			
<b><u>Hong Kong</u></b> (continued)			
<b>Utilities</b>			
ENN Energy Holdings Ltd	199,422	11,466,765	0.16
Hong Kong & China Gas	9,720,847	58,130,665	0.80
		<hr/>	
Total investments, at fair value		7,222,123,173	99.70
		<hr/>	
Total investments, at cost		7,675,587,003	
		<hr/>	

ChinaAMC HSI ESG ETF  
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MOVEMENTS IN INVESTMENT PORTFOLIO

For the period from 10 November 2022 (date of inception) to 31 December 2023

	<b>Holdings as at 10 November 2022 (date of inception)</b>	<b>Additions</b>	<b>Disposals</b>	<b>Corporate Actions</b>	<b>Holdings as at 31 December 2023</b>
<b>Listed equities</b>					
<b><u>Hong Kong</u></b>					
AIA Group Ltd	-	9,550,604	(982,586)	-	8,568,018
Alibaba Group Holding Ltd	-	3,213,319	(131,480)	-	3,081,839
Alibaba Health Information Technology Ltd	-	5,114,698	(1,366,482)	-	3,748,216
Anta Sports Products Ltd	-	2,646,745	(78,880)	-	2,567,865
Baidu Inc	-	768,639	(26,722)	-	741,917
Bank of China Ltd	-	18,358,459	(1,981,794)	-	16,376,665
BOC Hong Kong Holdings Ltd	-	2,129,730	(444,549)	-	1,685,181
Budweiser Brewing Co Apac Ltd	-	3,316,028	(415,913)	-	2,900,115
BYD Co Ltd	-	474,981	(213,102)	-	261,879
China Construction Bank Corp	-	23,696,426	(2,618,009)	-	21,078,417
China Life Insurance Co Ltd	-	2,687,296	(433,881)	-	2,253,415
China Mengniu Dairy Co Ltd	-	628,826	(60,742)	-	568,084
China Merchants Bank Co Ltd	-	1,397,078	(24,928)	-	1,372,150
China Mobile Ltd	-	1,928,160	(311,997)	-	1,616,163
China Overseas Land & Investment Ltd	-	8,172,300	(705,827)	-	7,466,473
China Resources Beer Holdings Co Ltd	-	321,620	(13,462)	-	308,158
China Resources Land Ltd	-	2,923,469	(713,884)	-	2,209,585
China Resources Mixc Lifestyle Services Limited	-	2,067,978	(113,121)	-	1,954,857
China Unicom (Hong Kong)	-	1,123,819	(149,571)	-	974,248
Chow Tai Fook	-	4,114,076	(367,187)	-	3,746,889
CK Asset Holdings Ltd	-	3,602,237	(332,448)	-	3,269,789
CK Hutchison Holdings Ltd	-	812,002	(176,428)	-	635,574
Country Garden Holdings Company Ltd	-	1,050,632	(1,050,632)	-	-
Country Garden Services Holdings Co Ltd	-	7,406,965	(878,355)	-	6,528,610
CSPC Pharmaceutical Group Ltd	-	1,467,629	(44,849)	-	1,422,780
ENN Energy Holdings Ltd	-	234,682	(35,260)	-	199,422
Galaxy Entertainment Group Ltd	-	601,028	(68,105)	-	532,923
Geely Automobile Holdings Ltd	-	10,536,072	(1,125,701)	-	9,410,371
Haidilao International Holding Ltd	-	421,231	(128,860)	-	292,371
Haier Smart Home Co Ltd	-	602,998	(16,612)	-	586,386
Hang Lung Properties Ltd	-	4,216,087	(363,552)	-	3,852,535
Hang Seng Bank Ltd	-	1,222,792	(61,165)	-	1,161,627
Hansoh Pharmaceutical Group Co Ltd	-	557,332	(6,732)	-	550,600
Henderson Land Development	-	2,581,715	(65,412)	-	2,516,303

ChinaAMC HSI ESG ETF  
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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 10 November 2022 (date of inception) to 31 December 2023

	<b>Holdings as at 10 November 2022 (date of inception)</b>	<b>Additions</b>	<b>Disposals</b>	<b>Corporate Actions</b>	<b>Holdings as at 31 December 2023</b>
<b>Listed equities (continued)</b>					
<b>Hong Kong (continued)</b>					
Hengan International Group Co Ltd	-	144,084	(16,867)	-	127,217
Hong Kong & China Gas	-	11,851,486	(2,130,639)	-	9,720,847
Hong Kong Exchanges And Clearing Ltd	-	2,181,338	(190,951)	-	1,990,387
HSBC Holdings Plc	-	6,410,330	(1,611,239)	-	4,799,091
Industrial And Commercial Bank of China	-	14,212,623	(1,592,424)	-	12,620,199
JD Health International Inc	-	1,225,538	(19,901)	-	1,205,637
JD.Com Inc	-	630,503	(97,083)	-	533,420
Lenovo Group Ltd	-	14,224,675	(1,710,055)	-	12,514,620
Li Auto Inc	-	1,023,346	-	-	1,023,346
Li Ning Co Ltd	-	5,625,131	(132,561)	-	5,492,570
Link REIT	-	8,734,513	(264,068)	-	8,470,445
Link REIT Nil Paid Rts 21/03/2023	-	-	(127,897)	127,897	-
Longfor Group Holdings Ltd	-	5,088,006	(115,240)	-	4,972,766
Meituan	-	3,478,307	(636,681)	-	2,841,626
MTR Corp Ltd	-	2,149,591	(62,728)	-	2,086,863
Netease Inc	-	1,270,174	(176,574)	-	1,093,600
New World Development Ltd	-	3,087,260	(289,253)	-	2,798,007
Nongfu Spring Co Ltd	-	728,459	(44,435)	-	684,024
Orient Overseas International Ltd	-	149,400	(3,275)	-	146,125
Ping An Insurance (Group) Co of China Ltd	-	11,796,353	(1,278,639)	-	10,517,714
Sands China Ltd	-	4,431,123	(177,027)	-	4,254,096
Semiconductor Manufacturing International Corp	-	710,163	(128,789)	-	581,374
Shenzhou International Group	-	1,718,509	(153,231)	-	1,565,278
Sino Biopharmaceutical Ltd	-	1,957,478	(204,046)	-	1,753,432
Sinopharm Group Co Ltd	-	2,394,395	(239,129)	-	2,155,266
Sun Hung Kai Properties Ltd	-	3,981,950	(86,253)	-	3,895,697
Sunny Optical Technology Group Co Ltd	-	406,075	(97,482)	-	308,593
Super Hi International Holding Ltd	-	3,685	(3,685)	-	-
Techtronic Industries Co Ltd	-	965,534	(488,613)	-	476,921
Tencent Holdings Ltd	-	2,273,304	(392,717)	-	1,880,587
Tingyi (Cayman Islands) Holdings Corp	-	301,320	(27,098)	-	274,222
Trip Com Group Ltd	-	58,960	(1,324)	-	57,636
WH Group Ltd	-	186,878	(186,878)	-	-
Wharf Real Estate Investment Co Ltd	-	2,787,723	(257,065)	-	2,530,658
Wuxi Aptec Co Ltd	-	800,012	-	-	800,012
Wuxi Biologics Cayman Inc	-	9,202,699	(588,034)	-	8,614,665

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 10 November 2022 (date of inception) to 31 December 2023

	<b>Holdings as at 10 November 2022 (date of inception)</b>	<b>Additions</b>	<b>Disposals</b>	<b>Corporate Actions</b>	<b>Holdings as at 31 December 2023</b>
<b>Listed equities</b> (continued)					
<b><u>Hong Kong</u></b> (continued)					
Wuxi Biologics Cayman Inc Nil					
Paid Rts 09/11/2023	-	-	(18,662)	18,662	-
Xiaomi Corp	-	21,926,373	(621,457)	-	21,304,916
Xinyi Glass Holdings Co Ltd	-	562,164	(63,104)	-	499,060
Xinyi Solar Holdings Ltd	-	3,148,081	(772,345)	-	2,375,736
Zhongsheng Group Holdings Ltd	-	2,311,118	(144,554)	-	2,166,564

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PERFORMANCE RECORD

For the period from 10 November 2022 (date of inception) to 31 December 2023

**1. Net Asset Value**

	Net asset value per unit HKD	Total net asset value HKD
As at: 31 December 2023	38.3673	7,243,749,853

**2. Highest issue and lowest redemption prices per unit**

	Highest issue unit price HKD	Lowest redemption unit price HKD
For the period from 10 November 2022 (date of inception) to 31 December 2023	55.1046	36.5180

**3. Comparison of the scheme performance and the actual index performance<sup>1</sup>**

The table below illustrates the comparison between the Sub-Fund's performance (Market-to-Market) and that of the index during the following periods:

	The index	HKD counter of the Sub-Fund	RMB counter of the Sub-Fund	USD counter of the Sub-Fund
For the period from 10 November 2022 (date of inception) to 31 December 2023	5.22%	5.36%	2.98%	5.08%

<sup>1</sup> Past performance figures shown are not indicative of the future performance of the Sub-Fund.

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DETAILS OF SECURITY LENDING ARRANGEMENTS (Unaudited)

**Breakdown of securities lending transactions**

Securities Lending transactions

Securities Lending transactions as at 31 December 2023 are summarised as below.

Counter party	Security on loan	Collateral type	Remaining contractual maturity	Currency	Geographical location of counterparty	Settlement/ clearing means	Fair value of securities lent <sup>1</sup>	% of Net Asset Value
GOLDMAN SACHS INTERNATIONAL	Budweiser Brewing Co Apac Ltd	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	3,207,232	0.04%
GOLDMAN SACHS INTERNATIONAL	Country Garden Services Holdings Co Ltd	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	6,703,706	0.09%
GOLDMAN SACHS INTERNATIONAL	Galaxy Entertainment Group Ltd	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	11,575,227	0.16%
GOLDMAN SACHS INTERNATIONAL	Hong Kong & China Gas	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	17,632,892	0.24%
BNP PARIBAS ARBITRAGE LONDON/PARIS	Hong Kong & China Gas	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	2,084,970	0.03%
NATIXIS	HSBC Holdings Plc	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	1,723,141	0.02%
GOLDMAN SACHS INTERNATIONAL	Longfor Group Holdings Ltd	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	30,679,687	0.42%
GOLDMAN SACHS INTERNATIONAL	MTR Corp Ltd	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	31,453,058	0.44%



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DETAILS OF SECURITY LENDING ARRANGEMENTS (Unaudited)

**Breakdown of securities lending transactions (continued)**

Securities Lending transactions (continued)

Counter party	Security on loan	Collateral type	Remaining contractual maturity	Currency	Geographical location of counterparty	Settlement/ clearing means	Fair value of securities lent <sup>1</sup>	% of Net Asset Value
GOLDMAN SACHS INTERNATIONAL BNP PARIBAS ARBITRAGE	New World Development Ltd	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	16,668,720	0.23%
LONDON/PARIS GOLDMAN SACHS INTERNATIONAL	New World Development Ltd	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	169,172	0.00%
GOLDMAN SACHS INTERNATIONAL	Nongfu Spring Co Ltd	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	15,757,576	0.22%
GOLDMAN SACHS INTERNATIONAL THE HONG KONG & SHANGHAI BANKING CORPORATION LTD	Orient Overseas International Ltd	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	7,827,394	0.11%
GOLDMAN SACHS INTERNATIONAL	Sinopharm Group Co Ltd	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	2,038,072	0.03%
GOLDMAN SACHS INTERNATIONAL	Wuxi Apptec Co Ltd	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	31,014,497	0.43%
GOLDMAN SACHS INTERNATIONAL	Xinyi Glass Holdings Co Ltd	Government bond	Open tenor	HKD	Hong Kong	Triparty Collateral	2,159,341	0.03%
							<u>180,694,687</u>	<u>2.48%</u>

<sup>1</sup> Securities lent information was based on the Sub-Fund's accounting record. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of translations, and the assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

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DETAILS OF SECURITY LENDING ARRANGEMENTS (Unaudited) (continued)

Global data

	As at 31 December 2023 <i>HKD</i>
Amount of securities on loan as proportion of total lendable assets <sup>2</sup>	<u>0.75%</u>
Amount of securities on loan as a proportion of total net asset value <sup>2</sup>	<u>2.49%</u>

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

Concentration data

As at 31 December 2023

Top ten largest collateral issuers

	Amount of collateral received	% of Net Asset Value
	<i>HKD</i>	
Federal Republic of Germany	167,101,056	2.31%
French Republic	25,584,682	0.35%
Japan	6,324,757	0.09%
	<u>199,010,495</u>	<u>2.75%</u>

	Fair value of securities on loan	% of Net Asset Value
	<i>HKD</i>	
Top ten counterparties of securities lending transactions		
Goldman Sachs International	174,679,331	2.41%
BNP Paribas Arbitrage London/Paris	2,254,143	0.03%
The Hong Kong & Shanghai Banking Corporation Ltd	2,038,072	0.03%
Natixis	<u>1,723,141</u>	<u>0.02%</u>
	<u>180,694,687</u>	<u>2.49%</u>

Revenue and expenses relating to securities financing transactions

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

	Year ended 31 December 2023 <i>HKD</i>
Securities Lending Transactions	
Revenue retained by the Sub-Fund	53,226
Direct expenses paid to the Manager	-

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HOLDING OF COLLATERAL (Unaudited)

Holdings of collateral

Collateral provider	Nature of the collateral	Maturity tenor	Currency denomination	Value of the collateral* <i>HKD</i>	% of net asset value covered by collateral
Goldman Sachs International	Government bond	13 April 2028	EUR	167,101,056	2.31%
Goldman Sachs International	Government bond	25 May 2040	EUR	25,584,682	0.35%
Natixis	Government bond	20 September 2028	JPY	1,813,481	0.03%
BNP Paribas Arbitrage London/Paris	Government bond	20 March 2058	JPY	2,368,502	0.03%
The Hong Kong & Shanghai Banking Corporation Ltd	Government bond	20 May 2024	JPY	397,840	0.01%
The Hong Kong & Shanghai Banking Corporation Ltd	Government bond	20 June 2024	JPY	1,744,933	0.02%
				<u>199,010,495</u>	<u>2.75%</u>

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

Custody/safe-keeping arrangement

As at 31 December 2023

Name of custodians	Amount of collateral received <i>HKD</i>	% of collateral posted by the scheme
<b>Segregated accounts</b>		
JP Morgan Luxembourg SA	6,324,756	3.18%
Bank of New York Mellon S.A.	192,685,739	96.85%
	<u>199,010,495</u>	<u>100%</u>

