

# CSOP INVESTMENTS VCC

*(Incorporated in Singapore. Registration Number: T20VC0088A)*

## ANNUAL REPORT

*For the financial year ended 31 December 2022*

# **CSOP INVESTMENTS VCC**

*(Incorporated in Singapore)*

## **ANNUAL REPORT**

*For the financial year ended 31 December 2022*

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# CSOP INVESTMENTS VCC

## FUND INFORMATION

### **Manager**

CSOP Asset Management Pte. Ltd.  
(Company Registration No. 201814646Z)  
1 Temasek Avenue  
#18-03 Millenia Tower One  
Singapore 039192

### **Directors of CSOP Investments VCC**

NG Choe Yong  
WONG Ka Yan  
CHEN Chia Ling

### **Directors of the Manager**

DING Chen  
NG Choe Yong

### **Custodian and Registrar**

HSBC Institutional Trust Services (Singapore) Limited  
10 Marina Boulevard  
Marina Bay Financial Centre, Tower 2 #48-01  
Singapore 018983

### **Auditors**

PricewaterhouseCoopers LLP  
7 Straits View, Marina One  
East Tower, Level 12  
Singapore 018936

### **Investment Advisors**

ICBC Wealth Management Co., Ltd  
Room 202, 302, 402, 502, 602, 802, 902  
No. 6 Financial Street  
Xicheng District, Beijing

ICBC Asset Management (Global) Company Limited  
Unit 2507 – 10, 25/F  
ICBC Tower, 3 Garden Road  
Central, Hong Kong

# CSOP INVESTMENTS VCC

## MANAGER'S REPORT

For the financial year ended 31 December 2022

ICBC CSOP FTSE Chinese Government Bond Index ETF (the "Sub-Fund") is a sub-fund under CSOP Investments VCC (a Singapore variable capital company authorised under Section 286 of the Securities and Futures Act 2001 of Singapore). The Sub-Fund is an exchange traded fund listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and the shares of this Sub-Fund are classified as Excluded Investment Products and Prescribed Capital Markets Products in Singapore.

The investment objective of this Sub-Fund is to replicate as closely as possible, before fees and expenses, the performance of the FTSE Chinese Government Bond Index.

The Manager employs a "passive management" or indexing investment approach designed to track the performance of the Index.

The sub-fund gained +2.89% in terms of RMB NAV total return in 2022.

### Outlook in 2023 (made at the beginning of the year)

Looking forward, the headwinds that dragged China's growth in 2022 may have reached a turning point:

- **Macro**  
Policymakers recently announced easing measures for COVID-19 controls, navigating to a normalization in activity, and a couple of measures have also been announced to help stabilize the housing market. While there is still near-term headwind on growth due to a surge in cases and related disruptions, the transitional period could be relatively short-lived, leading to a deeper drag on growth in Q1 2023, followed by a stronger bounce which is expected thereafter with consumption likely to return with "revenge spending". As a result, China is expected to grow at around 5% or above in 2023 from 3% in 2022 by consensus and the momentum may continue in 2024.
- **Policy**  
As growth is still facing internal and external uncertainties, China is likely to continue policy support through active fiscal policy with selective monetary easing in the near term. This should help fuel growth via infrastructure development and manufacturing investment. Both may slow in 2023 vs. 2022, but they should still provide supportive tailwinds for the growth recovery in the near and medium term. While the PBoC is likely to be mindful of any further divergence from the Fed, further RRR cuts are still possible in 2023 to provide liquidity support like what we saw in 2022. More liquidity injections could come from structural tools such as re-lending schemes. The possibility of key policy rate cuts such as 1-year and 5-year LPR should also not be excluded. From an inflation perspective, monetary policy space remains ample given subdued CPI pressures, but the strong consumption recovery expected in the latter part of 2023 could push CPI higher.
- **Neutral/negative on onshore China rates bonds**  
China bond yield rise expectation continues amid potentially strong growth rebound.  
Potential higher issuance of CGB and LGB in 2023 may also put pressure on bond prices.  
Growth uncertainty if China is struggling to reopen smoothly due to surge in Covid cases and still sluggish domestic demand poses downside risk to bond yields.
- **Neutral/positive on RMB**  
In 2022, RMB experienced depreciation pressure due to the lockdowns in China and external shocks such as hawkish Fed and geopolitical tensions, but in 2023 RMB may achieve a modest gain vs. USD due to:  
A reversal of DXY if the Fed takes a breather or even ease in late 2023 / 2024.  
China's growth rebound on the back of current reopening and last year's low base.  
Downside risk to RMB appreciation could be high uncertainty on how successful China would cope with the current difficulties following initial relaxation.

# **CSOP INVESTMENTS VCC**

## **STATEMENT OF DIRECTORS**

**For the financial year ended 31 December 2022**

The directors present their statement to the shareholders together with the audited financial statements of CSOP Investments VCC (the "Company") and ICBC CSOP FTSE Chinese Government Bond Index ETF (the "Sub-Fund") for the financial year ended 31 December 2022.

In the opinion of the directors,

- (a) the financial statements as set out on pages 10 to 25 are drawn up so as to give a true and fair view of the financial position of the Company and the Sub-Fund as at 31 December 2022 and the financial performance of the Company and the Sub-Fund for the financial year covered by the financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company and the Sub-Fund will be able to pay its debts as when they fall due.

### **Directors**

The directors of the Company in office at the date of this statement are as follows:

NG Choe Yong  
WONG Ka Yan  
CHEN Chia Ling

### **Directors of the Manager**

DING Chen  
NG Choe Yong

### **NG Choe Yong**

Mr. NG Choe Yong was the head of Business Controls and Management for South East Asia at Bank of America Merrill Lynch and was responsible for the governance and business management of the Global Banking and Markets Businesses in the region. Mr. NG Choe Yong was also on the management committee of Merrill Lynch Singapore, Bank of America Singapore Branch and Bank of America Securities Limited to provide governance and acted as a liaison to local regulators in South East Asia.

Before that, Mr. NG Choe Yong was the Head of APAC Middle Office for Equities Execution Services at Bank of America Merrill Lynch. In that role, he managed the team which supported the Equities Cash, Index/ETF and Delta One businesses for APAC. He also managed the implementation for Hong Kong Shanghai Connect go-live for Middle Office.

Prior to Bank of America Merrill Lynch, Mr. NG Choe Yong has worked in a number of large financial institutions such as Barclays Capital and Morgan Stanley in a variety of roles covering operations, middle office and finance. Mr. NG Choe Yong started his career in Deloitte Australia as an auditor.

Mr. NG holds a Bachelor of Computer Science and a Master of Applied Commerce (Accounting) from The University of Melbourne. He also holds a Master of Business Administration from the University of Chicago-Booth School of Business.

## **CSOP INVESTMENTS VCC**

### **STATEMENT OF DIRECTORS**

**For the financial year ended 31 December 2022**

#### **WONG Ka Yan**

Ms. Wong Ka Yan has extensive legal and compliance experience in relation to retail funds, in particular, the listing and distribution of exchange traded funds to retail investors in Hong Kong. Ms. Wong currently serves as the representative director of CSOP AM in the China New Balance Opportunity Fund, a retail fund domiciled in Luxemburg, and China Southern Dragon Dynamic Multi Strategy Fund SPC, a Cayman Segregated Portfolio Company. Ms. Wong is a solicitor in Hong Kong. She was trained and had worked in reputable US law firms before she joined CSOP AM, including Reed Smith LLP and Hogan Lovells. She obtained her Master of Laws degree from the University College London, and her double Bachelor's degrees in Business Administration (LAW) and LLB from the University of Hong Kong.

#### **CHEN Chia Ling**

Ms. Chen is an Independent Director of the Company. Ms Chen holds a Master's degree in International Business from the University of Bristol in United Kingdom and a Bachelor's degree from York University in Canada. Ms. Chen has over 20 years of experience in the financial services industry and over 10 years of experience in asset management, including experience with regard to launching exchange-traded funds.

From September 2013 to October 2014, Ms. Chen was a director of China Asset Management (Hong Kong) Limited ("CAMHK") as the manager of ChinaAMC ETF series which are listed on Hong Kong Stock Exchange. Ms. Chen was also the Chief Executive Officer of CAMHK from 2011 to 2014. Prior to taking over the Chief Executive Officer role, Ms. Chen was the Head of Business Development in charge of new business development including the infrastructure from 2009 to 2011. Before joining CAMHK, Ms. Chen served as Head of Sales (Greater China) at Deutsche Asset Management (Hong Kong) Limited and a director of the Equity Derivatives Desk at ABN AMRO Bank.

#### **DING Chen**

Ms. Ding is the Chief Executive Officer, overseeing the overall business of the Manager.

Ms. Ding, from 2003 to June 2013, was the Assistant Chief Executive Officer and Managing Director of China Southern Asset Management Co. Ltd., one of the largest fund management companies in China. She established and managed the first QDII mutual fund which she was also a member of the Investment Management Committee, from 2007 to June 2013.

Ms. Ding is the Chairperson of Chinese Asset Management Association of Hong Kong Limited, which promotes professional standards of practice in the fund management industry. She is also the Deputy Chairperson of the Chinese Securities Association of Hong Kong Company limited. Ms. Ding was appointed under authority delegated by the Chief Executive and the Financial Secretary, as a member to the Securities and Futures Appeals Tribunal as of 1 April 2013. She was also appointed by the Securities and Futures Commission as a member of the Product Advisory Committee for two years with effect from 1 April 2014, a member to the Process Review Panel since 1 November 2014 and a member of the Advisory Committee since 1 June 2015. Ms. Ding is also a member of the Financial Reporting Review Panel of the Financial Reporting Council as well as a member of the New Business Committee of the Hong Kong Financial Services Development Council.

Prior to joining, China Southern Asset management Co. Ltd., Ms. Ding served from 2001 to 2003 as an Associate General Manager of China Merchants Securities Co. Ltd. in the PRC. Ms. Ding was also the Investment Manager of ML Stem & Co., in California, United States, which is a securities house.

Ms. Ding holds a Master's Degree in Business Administration from the San Francisco State University in the United States and a Bachelor degree in Electrical Engineering from the China Chengdu Science and Technology University in the PRC.

## **CSOP INVESTMENTS VCC**

### **STATEMENT OF DIRECTORS**

**For the financial year ended 31 December 2022**

#### **Arrangements to enable directors to acquire shares and debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

#### **Directors' interest in shares or debentures**

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations.

On behalf of the directors

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Authorised signatory

29 March 2023

## **CSOP INVESTMENTS VCC**

### **STATEMENT BY THE MANAGER**

**For the financial year ended 31 December 2022**

In the opinion of CSOP Asset Management Pte. Ltd., the accompanying financial statements set out on pages 10 to 25, comprising the Statements of Total Return, Statements of Financial Position, Statements of Changes in Net Assets Attributable to Shareholders and Statement of Portfolio are drawn up so as to give a true and fair view of, in all material respects, the financial position and the portfolio holdings of the Company and the Sub-Fund as at 31 December 2022, and the financial performance and movements in shareholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Company and the Sub-Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of  
CSOP Asset Management Pte. Ltd.

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Authorised signatory

29 March 2023



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CSOP INVESTMENTS VCC**

*(INCORPORATED IN SINGAPORE)*

#### **Our Opinion**

In our opinion, the accompanying financial statements of CSOP Investments VCC (the "Company") and the sub-fund, namely ICBC CSOP FTSE Chinese Government Bond Index ETF (the "Sub-Fund") are properly drawn up in accordance with the provisions of the Variable Capital Companies Act 2018 (the "Act") and the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants ("RAP 7"), so as to give a true and fair view of the financial position of the Company and of the Sub-Fund and portfolio holdings of the Sub-Fund as at 31 December 2022 and the financial performance and movements in shareholders' funds of the Company and of the Sub-Fund for the financial year ended on that date.

#### *What we have audited*

The financial statements of the Company and the Sub-Fund comprise:

- the Statements of Total Return for the Company and of the Sub-Fund for the financial year ended 31 December 2022;
- the Statements of Financial Position for the Company and of the Sub-Fund as at 31 December 2022;
- the Statements of Changes in Net Assets Attributable to Shareholders of the Company and of the Sub-Fund for the financial year ended 31 December 2022;
- the Statement of Portfolio of the Sub-Fund as at 31 December 2022; and
- the notes to the financial statements, including a summary of significant accounting policies.

#### **Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Company and the Sub-Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

#### **Our Audit Approach**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

#### *Key Audit Matters*

We have determined that there are no key audit matters to communicate in our report.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CSOP INVESTMENTS VCC** *(INCORPORATED IN SINGAPORE)*

#### **Other Information**

Directors are responsible for the other information. The other information comprises all the sections of the annual report but does not include 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.

#### **Responsibilities of the Directors for the Financial Statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and RAP 7, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the directors are responsible for assessing the ability of the Company and of the Sub-Fund to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company and the Sub-Fund or to cease operations, or have no realistic alternative but to do so.

The directors' responsibilities include overseeing the financial reporting process of the Company and the Sub-Fund.

#### **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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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.

As part of an audit in accordance with SSAs, 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.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CSOP INVESTMENTS VCC** *(INCORPORATED IN SINGAPORE)*

#### **Auditor's Responsibilities for the Audit of the Financial Statements** (continued)

- 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 internal control of the Company and Sub-Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 ability of the Company and the Sub-Fund to continue as 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 Company and the Sub-Fund to cease to continue as 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the directors, 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 Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and the Sub-Fund has been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Kheng Wah.

**CSOP INVESTMENTS VCC**

**STATEMENTS OF TOTAL RETURN**

For the financial year ended 31 December 2022

|  | Note | CSOP INVESTMENTS VCC |             | ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF |              |
|--|------|----------------------|-------------|--|--------------|
|  |      | 2022<br>RMB          | 2021<br>RMB | 2022<br>RMB                                      | 2021<br>RMB  |
| <b>Income</b>  |      |                      |             |  |              |
| Interest on cash and cash equivalents  |      | -                    | -           | 91,419   | 100,097      |
| Other income   |      | -                    | -           | -  | 232,048      |
|  |      | -                    | -           | 91,419   | 332,145      |
| <b>Less: Expenses</b>  |      |                      |             |  |              |
| Management fee   | 9    | -                    | -           | 21,430,427                                       | 22,035,047   |
| Professional fees  |      | -                    | -           | 155,226  | 203,701      |
| Registration fee   |      | -                    | -           | 67,354   | 50,754       |
| Preliminary expenses   |      | -                    | -           | 43,799   | -            |
| Transaction costs  | 9    | -                    | -           | 98,562   | 89,063       |
| Miscellaneous expenses   |      | -                    | -           | 228,586  | 187,605      |
|  |      | -                    | -           | 22,023,954                                       | 22,566,170   |
| <b>Net income</b>  |      | -                    | -           | (21,932,535)                                     | (22,234,025) |
| <b>Net gains or losses on value of investments and financial derivatives</b> |      |                      |             |  |              |
| Net gains on investments   |      | -                    | -           | 273,053,217                                      | 446,744,207  |
| Net gains on foreign exchange spot contracts                                 |      | -                    | -           | 1,128,772  | 693,782      |
| Net foreign exchange gains   |      | -                    | -           | 3,142,871  | 2,714,555    |
|  |      | -                    | -           | 277,324,860                                      | 450,152,544  |
| <b>Total return for the financial year before income tax</b>                 |      | -                    | -           | 255,392,325                                      | 427,918,519  |
| <b>Less: Income tax</b>  | 3    | -                    | -           | (7,709)  | (8,829)      |
| <b>Total return for the financial year</b>                                   |      | -                    | -           | 255,384,616                                      | 427,909,690  |

CSOP INVESTMENTS VCC

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

|   | Note | CSOP INVESTMENTS VCC |             | ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF |                      |
|---|------|----------------------|-------------|--|----------------------|
|   |      | 2022<br>RMB          | 2021<br>RMB | 2022<br>RMB                                      | 2021<br>RMB          |
| <b>ASSETS</b>                           |      |                      |             |  |                      |
| Portfolio of investments                |      | -                    | -           | 7,244,638,722                                    | 9,196,524,729        |
| Receivables                             | 4    | 5                    | 5           | 2,415,850  | 1,051,740            |
| Cash and cash equivalents               |      | -                    | -           | 11,176,283                                       | 16,279,684           |
| <b>Total assets</b>                     |      | <b>5</b>             | <b>5</b>    | <b>7,258,230,855</b>                             | <b>9,213,856,153</b> |
| <b>LIABILITIES</b>                      |      |                      |             |  |                      |
| Payables                                | 5    | -                    | -           | 1,563,324  | 2,924,022            |
| <b>Total liabilities</b>                |      | <b>-</b>             | <b>-</b>    | <b>1,563,324</b>                                 | <b>2,924,022</b>     |
| <b>EQUITY</b>                           |      |                      |             |  |                      |
| Management share                        | 7    | 5                    | 5           | -  | -                    |
| Net assets attributable to shareholders | 7    | -                    | -           | 7,256,667,531                                    | 9,210,932,131        |
| <b>Total equity</b>                     |      | <b>5</b>             | <b>5</b>    | <b>7,256,667,531</b>                             | <b>9,210,932,131</b> |

**CSOP INVESTMENTS VCC**

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**

*For the financial year ended 31 December 2022*

| CSOP INVESTMENTS VCC           | Note | Management shares and total equity |             |
|--------------------------------|------|------------------------------------|-------------|
|                                |      | 2022<br>RMB                        | 2021<br>RMB |
| At beginning of financial year | 7    | 5                                  | 5           |
| Issuance during the year       |      | -                                  | -           |
| <b>At financial year end</b>   |      | <b>5</b>                           | <b>5</b>    |

| ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF                                      | Note     | Participating shares and total equity |                      |
|---|----------|---------------------------------------|----------------------|
|   |          | 2022<br>RMB                           | 2021<br>RMB          |
| <b>Net assets attributable to shareholders at the beginning of the financial year</b> |          | <b>9,210,932,131</b>                  | <b>7,525,948,682</b> |
| Proceeds from shares issued   |          | 2,007,849,337                         | 2,715,502,352        |
| Redemption of shares  |          | (4,024,096,277)                       | (1,202,682,704)      |
| Net (decrease)/increase from share transactions                                       |          | (2,016,246,940)                       | 1,512,819,648        |
| Increase in net assets attributable to shareholders from operations                   |          | 255,384,616                           | 427,909,690          |
| Distributions   | 6        | (193,402,276)                         | (255,745,889)        |
| <b>Net assets attributable to shareholders at the end of the financial year</b>       | <b>7</b> | <b>7,256,667,531</b>                  | <b>9,210,932,131</b> |

**CSOP INVESTMENTS VCC**

**STATEMENT OF PORTFOLIO FOR ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF**

As at 31 December 2022

|   | Holdings at<br>31 December<br>2022 | Fair value at<br>31 December<br>2022<br>RMB | Percentage of<br>total net assets<br>attributable to<br>shareholders at<br>31 December<br>2022<br>% |
|---|------------------------------------|---|---|
| <b>By Country (Primary)</b>   |                                    |   |   |
| <b>QUOTED DEBT SECURITIES</b>   |                                    |   |   |
| <b>CHINA</b>  |                                    |   |   |
| Government of China Series Interbank 3.27% due 19/11/2030                 | 190,000,000                        | 196,510,160                                 | 2.71  |
| Government of China Series Interbank 2.68% due 21/05/2030                 | 190,000,000                        | 187,829,060                                 | 2.59  |
| Government of China Series Interbank 3.02% due 22/10/2025                 | 180,000,000                        | 182,977,380                                 | 2.52  |
| Government of China Series Interbank 3.02% due 27/05/2031                 | 180,000,000                        | 182,368,980                                 | 2.51  |
| Government of China Series Interbank 2.85% due 04/06/2027                 | 180,000,000                        | 181,859,040                                 | 2.51  |
| Government of China Series Interbank 1.99% due 09/04/2025                 | 180,000,000                        | 178,399,260                                 | 2.46  |
| Government of China Series Interbank 3.28% due 03/12/2027                 | 170,000,000                        | 175,034,040                                 | 2.41  |
| Government of China Series Interbank 2.69% due 12/08/2026                 | 170,000,000                        | 170,720,970                                 | 2.35  |
| Government of China Series Interbank 3.81% due 14/09/2050                 | 150,000,000                        | 164,687,850                                 | 2.27  |
| Government of China Series Interbank 3.01% due 13/05/2028                 | 160,000,000                        | 162,507,840                                 | 2.24  |
| Government of China Series Interbank 2.91% due 14/10/2028                 | 160,000,000                        | 161,702,240                                 | 2.23  |
| Government of China Series Interbank 2.84% due 08/04/2024                 | 160,000,000                        | 161,233,760                                 | 2.22  |
| Government of China Series Interbank 2.47% due 02/09/2024                 | 160,000,000                        | 160,389,120                                 | 2.21  |
| Government of China Series 1906 Interbank 3.29% due 23/05/2029            | 150,000,000                        | 155,507,700                                 | 2.14  |
| Government of China Series 1907 Interbank 3.25% due 06/06/2026            | 150,000,000                        | 153,461,250                                 | 2.11  |
| Government of China Series Interbank 3.39% due 16/03/2050                 | 150,000,000                        | 152,845,500                                 | 2.11  |
| Government of China Series Interbank 3.03% due 11/03/2026                 | 150,000,000                        | 152,629,500                                 | 2.10  |
| Government of China Series 1904 Interbank 3.19% due 11/04/2024            | 150,000,000                        | 151,903,650                                 | 2.09  |
| Government of China Series 1915 Interbank 3.13% due 21/11/2029            | 140,000,000                        | 143,449,180                                 | 1.98  |
| Government of China Series Interbank 2.5% due 25/07/2027                  | 140,000,000                        | 139,085,940                                 | 1.92  |
| Government of China Bond Series 1916 China Interbank 3.12% due 05/12/2026 | 130,000,000                        | 132,648,750                                 | 1.83  |
| Government of China Series 1910 Interbank 3.86% due 22/07/2049            | 120,000,000                        | 132,514,320                                 | 1.83  |
| Government of China Series Interbank 2.18% due 25/06/2024                 | 130,000,000                        | 129,788,880                                 | 1.79  |
| Government of China Series Interbank 2.18% due 25/08/2025                 | 130,000,000                        | 129,320,880                                 | 1.78  |
| Government of China Series Interbank 2.69% due 15/08/2032                 | 130,000,000                        | 127,973,300                                 | 1.76  |
| Government of China Series 1824 Interbank 4.08% due 22/10/2048            | 110,000,000                        | 125,740,560                                 | 1.73  |
| Government of China Series 1828 Interbank 3.22% due 06/12/2025            | 120,000,000                        | 122,937,600                                 | 1.69  |
| Government of China Series 1913 Interbank 2.94% due 17/10/2024            | 120,000,000                        | 121,366,560                                 | 1.67  |
| Government of China Series Interbank 2.8% due 24/03/2029                  | 120,000,000                        | 120,084,240                                 | 1.66  |
| Government of China Series Interbank 2.28% due 17/03/2024                 | 120,000,000                        | 120,069,720                                 | 1.65  |
| Government of China Series Interbank 2.75% due 15/06/2029                 | 120,000,000                        | 119,457,840                                 | 1.65  |
| Government of China Series Interbank 1.99% due 15/09/2024                 | 120,000,000                        | 119,334,720                                 | 1.64  |
| Government of China Series Interbank 2.37% due 20/01/2027                 | 120,000,000                        | 118,956,360                                 | 1.64  |
| Government of China Series Interbank 2.75% due 17/02/2032                 | 120,000,000                        | 118,784,640                                 | 1.64  |
| Government of China Series Interbank 2.62% due 25/09/2029                 | 120,000,000                        | 118,461,960                                 | 1.63  |
| Government of China Series Interbank 2.24% due 25/05/2025                 | 110,000,000                        | 109,490,370                                 | 1.51  |

**CSOP INVESTMENTS VCC**

**STATEMENT OF PORTFOLIO FOR ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF**

As at 31 December 2022

|   | Holdings at<br>31 December<br>2022 | Fair value at<br>31 December<br>2022<br>RMB | Percentage of<br>total net assets<br>attributable to<br>shareholders at<br>31 December<br>2022<br>% |
|---|------------------------------------|---|---|
| <b>By Country (Primary) (continued)</b>                                   |                                    |   |   |
| <b>QUOTED DEBT SECURITIES (continued)</b>                                 |                                    |   |   |
| <b>CHINA (continued)</b>  |                                    |   |   |
| Government of China Series Interbank 2.76% due 15/05/2032                 | 110,000,000                        | 108,906,710                                 | 1.50  |
| Government of China Series Interbank 3.72% due 12/04/2051                 | 100,000,000                        | 108,360,000                                 | 1.49  |
| Government of China Series 1827 Interbank 3.25% due 22/11/2028            | 100,000,000                        | 102,937,500                                 | 1.42  |
| Government of China Series Interbank 2.89% due 18/11/2031                 | 100,000,000                        | 100,217,400                                 | 1.38  |
| Government of China Series Interbank 2.26% due 24/02/2025                 | 100,000,000                        | 99,699,000                                  | 1.37  |
| Government of China Series Interbank 2.48% due 15/04/2027                 | 100,000,000                        | 99,421,500                                  | 1.37  |
| Government of China Series Interbank 2.44% due 15/10/2027                 | 100,000,000                        | 99,172,600                                  | 1.37  |
| Government of China Series Interbank 2.6% due 01/09/2032                  | 100,000,000                        | 97,757,400                                  | 1.35  |
| Government of China Series Interbank 3.53% due 18/10/2051                 | 80,000,000                         | 84,006,640                                  | 1.16  |
| Government of China Series Interbank 3.32% due 15/04/2052                 | 80,000,000                         | 81,566,160                                  | 1.12  |
| Government of China Bond Series 1811 China Interbank 3.69% due 17/05/2028 | 70,000,000                         | 74,193,700                                  | 1.02  |
| Government of China Bond Series 1819 China Interbank 3.54% due 16/08/2028 | 70,000,000                         | 73,632,300                                  | 1.01  |
| Government of China Bond Series 1718 China Interbank 3.59% due 03/08/2027 | 70,000,000                         | 73,393,530                                  | 1.01  |
| Government of China Series 1820 Interbank 3.6% due 06/09/2025             | 70,000,000                         | 72,515,870                                  | 1.00  |
| Government of China Bond Series 1813 China Interbank 3.61% due 07/06/2025 | 70,000,000                         | 72,327,570                                  | 1.00  |
| Government of China Bond Series 1710 China Interbank 3.52% due 04/05/2027 | 60,000,000                         | 62,275,440                                  | 0.86  |
| Government of China Bond Series 1805 China Interbank 3.77% due 08/03/2025 | 60,000,000                         | 62,095,200                                  | 0.86  |
| Government of China Bond Series 1720 China Interbank 3.69% due 21/09/2024 | 60,000,000                         | 61,579,560                                  | 0.85  |
| Government of China Bond Series 1713 China Interbank 3.57% due 22/06/2024 | 60,000,000                         | 61,264,680                                  | 0.84  |
| Government of China Bond Series 1523 China Interbank 2.99% due 15/10/2025 | 60,000,000                         | 61,110,780                                  | 0.84  |
| Government of China Bond Series 1610 China Interbank 2.9% due 05/05/2026  | 60,000,000                         | 60,849,180                                  | 0.84  |
| Government of China Bond Series 1617 China Interbank 2.74% due 04/08/2026 | 60,000,000                         | 60,756,240                                  | 0.84  |
| Government of China Series Interbank 2.8% due 15/11/2032                  | 60,000,000                         | 59,786,760                                  | 0.82  |
| Government of China Series Interbank 2.28% due 25/11/2025                 | 20,000,000                         | 19,939,060                                  | 0.28  |
| Government of China Series Interbank 3.12% due 25/10/2052                 | 20,000,000                         | 19,725,200                                  | 0.27  |
| Government of China Series Interbank 2.79% due 15/12/2029                 | 10,000,000                         | 9,980,570                                   | 0.14  |
| <b>TOTAL DEBT SECURITIES</b>  |                                    | <b>7,169,503,670</b>                        | <b>98.79</b>  |
| Accrued interest receivable on quoted fixed income securities             |                                    | 75,135,052                                  | 1.04  |
| <b>Portfolio of investments</b>   |                                    | <b>7,244,638,722</b>                        | <b>99.83</b>  |
| <b>Other net assets</b>   |                                    | <b>12,028,809</b>                           | <b>0.17</b>   |
| <b>Net assets attributable to shareholders</b>                            |                                    | <b>7,256,667,531</b>                        | <b>100.00</b>   |



CSOP INVESTMENTS VCC

STATEMENT OF PORTFOLIO FOR ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF

As at 31 December 2022

|  | Percentage of<br>total net assets<br>attributable to<br>shareholders at<br>31 December<br>2022<br>% | Percentage of<br>total net assets<br>attributable to<br>shareholders at<br>31 December<br>2021<br>% |
|--|---|---|
| <b>By Country (Summary)</b>                    |   |   |
| China  | 98.79   | 98.80   |
| Accrued interest receivable on debt securities | 1.04  | 1.04  |
| <b>Portfolio of investments</b>                | 99.83   | 99.84   |
| <b>Other net assets</b>                        | 0.17  | 0.16  |
| <b>Net assets attributable to shareholders</b> | 100.00  | 100.00  |

|  | Fair value at<br>31 December<br>2022<br>RMB | Percentage of<br>total net assets<br>attributable to<br>shareholders at<br>31 December<br>2022<br>% | Percentage of<br>total net assets<br>attributable to<br>shareholders at<br>31 December<br>2021<br>% |
|--|---|---|---|
| <b>By Industry (Secondary)</b>                 |   |   |   |
| Government                                     | 7,169,503,670                               | 98.79   | 98.80   |
| Accrued interest receivable on debt securities | 75,135,052                                  | 1.04  | 1.04  |
| <b>Portfolio of investments</b>                | 7,244,638,722                               | 99.83   | 99.84   |
| <b>Other net assets</b>                        | 12,028,809                                  | 0.17  | 0.16  |
| <b>Net assets attributable to shareholders</b> | 7,256,667,531                               | 100.00  | 100.00  |

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. GENERAL**

ICBC CSOP FTSE Chinese Government Bond Index ETF (the "Sub-Fund") is a sub-fund under the CSOP Investments VCC (the "Company") which is a variable capital company ("VCC") incorporated in Singapore on 15 July 2020 under the Variable Capital Companies Act 2018 and is governed by the laws of the Republic of Singapore. The Sub-Fund allows shares to be bought and sold at the net asset value ("NAV") of the Sub-Fund. The Company is a VCC that is a body corporate upon which the Sub-Fund is launched and it owns no economic or legal interests in the Sub-Fund.

The Sub-Fund is an exchange-traded fund listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company currently has 1 Sub-Fund. All assets and liabilities attributable to each Sub-Fund shall be segregated from the assets and liabilities of any other Sub-Funds and the Company, and shall not be used for the purpose of, or borne by the assets of, any other Sub-Fund. The Manager of the Sub-Fund is CSOP Asset Management Pte. Ltd. (the "Manager").

Management Shares were issued in respect of the Company only and Participating Shares were issued in respect of each Sub-Fund. Only one Management Share was issued to the Manager. Each Management Share and Participating Share will comprise one vote at the general meeting of the Company and the Sub-Funds.

The investment objective of the Sub-Fund is to replicate as closely as possible, before fees and expenses, the performance of the FTSE Chinese Government Bond Index (the "Index").

The Sub-Fund offers 2 classes of units ie Class Distribution ("Class Dist") and Class Accumulation ("Class Acc"). The Class Acc has been issued on 10 October 2022.

**2. SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

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

(c) Financial derivatives

Financial derivatives are entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provisions of the Prospectus.

Financial derivatives outstanding at the end of the financial year are measured at their fair values using the marked-to-market method, and the resultant gains and losses are taken up in the Statements of Total Return.

(d) Distributions

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account to be paid out on the distribution date. The amount shall not be treated as part of the property of the Sub-Fund. Distributions are accrued for at the reporting date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

(e) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net change in the fair value of investments are included in the Statements of Total Return in the year in which they arise.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(e) Investments (continued)

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statements of Total Return.

(f) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for investments in debt securities held by the Sub-Fund is the market bid prices. Accrued interest or discount or premium on debt securities at the reporting date are included in the fair value of debt securities. Interest income on debt securities is presented within net gains or losses on investments on the Statements of Total Return.

(g) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(h) Due from and due to brokers

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

(j) Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(k) Foreign currencies

(i) Functional and presentation currency

The Sub-Fund qualifies as an authorised scheme under the Securities and Futures Act ( "SFA" ) of Singapore and is offered to retail investors in Singapore. The Sub-Fund's activities are substantially based in Singapore, with subscriptions and redemptions of the units in the Sub-Fund denominated in United States Dollar (US\$), Singapore Dollar (S\$) and Renminbi (RMB) for Class Dist and United States Dollar (US\$) and Renminbi (RMB) for Class Acc.

The performance of the Sub-Fund is measured and reported to the investors in RMB. The Manager considers the RMB as the currency which most faithfully represents the economic effects of the underlying transactions, events and conditions. The Sub-Fund's functional and presentation currency is RMB.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the Statement of Total Return. Translation differences on non-monetary financial assets and liabilities such as equities are also recognised in the Statements of Total Return within the net gain or loss on investments.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 3. INCOME TAX

The Sub-Fund has been approved by the Monetary Authority of Singapore under the Enhanced-Tier Fund Scheme (Section 13U of the Income Tax Act and the relevant regulations). Subject to certain conditions being met on an annual basis, the Sub-Fund may enjoy Singapore corporate tax exemption on "specified income" derived from "designated investments" for the life of the Fund. The tax exemption does not apply in the year when the relevant conditions are not met. Losses from "designated investments" are correspondingly disregarded, with certain exceptions. The terms "specified income" and "designated investments" are defined in the relevant income tax regulations.

|                     | ICBC CSOP FTSE<br>CHINESE GOVERNMENT<br>BOND INDEX ETF |             |
|---------------------|--|-------------|
|                     | 2022<br>RMB  | 2021<br>RMB |
| Overseas income tax | 7,709  | 8,829       |

The overseas income tax represents tax deducted at source on interest derived from outside Singapore.

## 4. RECEIVABLES

|                   | ICBC CSOP FTSE<br>CHINESE GOVERNMENT<br>BOND INDEX ETF |                  |
|-------------------|--|------------------|
|                   | 2022<br>RMB  | 2021<br>RMB      |
| Other receivables | 2,415,850  | 1,051,740        |
|                   | <u>2,415,850</u>                                       | <u>1,051,740</u> |

## 5. PAYABLES

|                           | ICBC CSOP FTSE<br>CHINESE GOVERNMENT<br>BOND INDEX ETF |                  |
|---------------------------|--|------------------|
|                           | 2022<br>RMB  | 2021<br>RMB      |
| Amount due to the Manager | 1,538,446  | 1,950,172        |
| Other payables            | 24,878   | 973,850          |
|                           | <u>1,563,324</u>                                       | <u>2,924,022</u> |

## 6. DISTRIBUTIONS

|  | ICBC CSOP FTSE<br>CHINESE GOVERNMENT<br>BOND INDEX ETF |                    |
|--|--|--------------------|
|  | 2022<br>RMB  | 2021<br>RMB        |
| Distribution of US\$0.15 on 15 June 2022 to unitholders on the register as at 16 June 2022         | 122,700,828  | -                  |
| Distribution of S\$0.20 on 15 December 2022 to unitholders on the register as at 16 December 2022  | 70,701,448   | -                  |
| Distribution of US\$0.15 on 16 June 2021 to unitholders on the register as at 17 June 2021         | -  | 128,948,253        |
| Distribution of US\$0.15 on 15 December 2021 to unitholders on the register as at 16 December 2021 | -  | 126,797,636        |
|  | <u>193,402,276</u>                                     | <u>255,745,889</u> |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 7. UNITS IN ISSUE

|                                | ICBC CSOP FTSE<br>CHINESE GOVERNMENT<br>BOND INDEX ETF |                             |                             |
|--------------------------------|--|-----------------------------|-----------------------------|
|                                | 2022<br>Class Acc<br>Units                             | 2022<br>Class Dist<br>Units | 2021<br>Class Dist<br>Units |
| Units at beginning of the year | -  | 133,384,700                 | 111,157,100                 |
| Units created                  | 35,559,546   | 9,031,946                   | 39,677,600                  |
| Units cancelled                | -  | (73,353,246)                | (17,450,000)                |
| Units at end of the year       | 35,559,546   | 69,063,400                  | 133,384,700                 |

|   | ICBC CSOP FTSE<br>CHINESE GOVERNMENT<br>BOND INDEX ETF |                           |                           |
|---|--|---------------------------|---------------------------|
|   | 2022<br>Class Acc<br>RMB                               | 2022<br>Class Dist<br>RMB | 2021<br>Class Dist<br>RMB |
| Net assets attributable to shareholders | 2,490,749,950  | 4,765,917,581             | 9,210,932,131             |
| Net asset value per unit                | 70.0444  | 69.0078                   | 69.0553                   |

There is 1 management share of RMB 5 issued in respect of the Company.

A reconciliation of the net assets attributable to shareholders per unit per the financial statements and the net assets attributable to shareholders per unit for issuing/redeeming units at the reporting date is presented below.

|   | ICBC CSOP FTSE<br>CHINESE GOVERNMENT<br>BOND INDEX ETF |                           |                           |
|---|--|---------------------------|---------------------------|
|   | 2022<br>Class Acc<br>RMB                               | 2022<br>Class Dist<br>RMB | 2021<br>Class Dist<br>RMB |
| Net assets attributable to shareholders per unit per financial statements                               | 70.0444  | 69.0078                   | 69.0553                   |
| Effect of preliminary expenses  | 0.0054   | 0.0053                    | 0.0053                    |
| Effect of movement in the net asset value between the last dealing date and the financial year end date | (0.0049)   | (0.0049)                  | 0.0001                    |
| Effect of changes in foreign exchange rates   | *  | *                         | *                         |
| Net assets attributable to shareholders per unit for issuing/redeeming units                            | 70.0449  | 69.0082                   | 69.0607                   |

\* denotes amount less than RMB0.0001

## 8. FINANCIAL RISK MANAGEMENT

The Sub-Fund's activities expose it to a variety of market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Sub-Fund's overall risk management programme seeks to minimise potential adverse effects on the Sub-Fund's financial performance. The Manager is responsible for the implementation of overall risk management programme, which seeks to minimise potential adverse effects on the Sub-Fund's financial performance. Specific guidelines on exposures to individual securities and certain industries are in place for the Sub-Fund at any time as part of the overall financial risk management to reduce the Sub-Fund's risk exposures.

The Sub-Fund's assets principally consist of investments in Index securities in substantially the same weightings as reflected in the Index. Index security weighting is capped at 10% and liquidity based adjustments are made to the weights. The Manager will rebalance the Sub-Fund's portfolio of investments from time to time to reflect any changes to the composition of, or weighting of Index securities to minimise tracking error of the Sub-Fund's overall returns relating to the performance of the Index. The financial instruments are held in accordance with the published investment policies of the Sub-Fund and managed accordingly to achieve their investment objectives.

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

(a) Market risk

Market risk is the risk of loss to the value of financial investments because of changes in market conditions like interest and currency rate movements and volatility in security prices. External factors such as changes in economic environment, consumption patterns and investor's expectation contribute to market risk which may have a significant impact on the asset's value.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

The Sub-Fund's investments are substantially dependent on changes in market prices. The Manager monitors the Sub-Fund's investments closely so as to assess changes in fundamentals and valuation. However, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Sub-Fund.

The Sub-Fund's market risk is affected primarily by changes in three components: changes in actual market prices, interest rate volatilities and foreign exchange movements.

(i) Price risk

Price risk is the risk that arises from uncertainties about future prices of financial instruments

The Sub-Fund's investment is substantially dependent on the changes of market prices. The Sub-Fund's overall market positions are monitored regularly so as to assess changes in fundamentals and valuation. However, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the net asset value of the Sub-Fund.

The market prices of financial assets held by the Sub-Fund are primarily dependent on prevailing market interest rates, as the Sub-Fund invests primarily in chinese government bonds. Hence, no separate price risk sensitivity analysis is prepared as it is covered as part of interest rate risk sensitivity analysis.

(ii) Interest rate risk

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

Interest rate movements affect the value of fixed income securities more directly than equities. As interest rates rise, prices of fixed income securities may fall and vice versa. The rationale is that as interest rates increase, the opportunity cost of holding a fixed income security increases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rate. The Manager will regularly assess the economic condition, monitor changes in interest rates outlook and take appropriate measures accordingly to control the impact of interest rate risk

The tables below summarise the Sub-Fund's exposure to interest rate risk. They include the Sub-Fund's assets and liabilities at fair value, categorised by the interest rate types.

## ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX FUND

## As at 31 December 2022

|                           | Variable<br>rates<br>RMB | Fixed<br>rates<br>RMB | Non-interest<br>bearing<br>RMB | Total<br>RMB         |
|---------------------------|--------------------------|-----------------------|--------------------------------|----------------------|
| <b>Assets</b>             |                          |                       |                                |                      |
| Portfolio of investments  |                          | 7,169,503,670         | 75,135,052                     | 7,244,638,722        |
| Receivables               | -                        | -                     | 2,415,850                      | 2,415,850            |
| Cash and cash equivalents | 11,176,283               | -                     | -                              | 11,176,283           |
| <b>Total assets</b>       | <b>11,176,283</b>        | <b>7,169,503,670</b>  | <b>77,550,902</b>              | <b>7,258,230,855</b> |
| <b>Liabilities</b>        |                          |                       |                                |                      |
| Payables                  | -                        | -                     | 1,563,324                      | 1,563,324            |
| <b>Total liabilities</b>  | <b>-</b>                 | <b>-</b>              | <b>1,563,324</b>               | <b>1,563,324</b>     |

## As at 31 December 2021

|                           | Variable<br>rates<br>RMB | Fixed<br>rates<br>RMB | Non-interest<br>bearing<br>RMB | Total<br>RMB         |
|---------------------------|--------------------------|-----------------------|--------------------------------|----------------------|
| <b>Assets</b>             |                          |                       |                                |                      |
| Portfolio of investments  |                          | 9,100,432,390         | 96,092,339                     | 9,196,524,729        |
| Receivables               | -                        | -                     | 1,051,740                      | 1,051,740            |
| Cash and cash equivalents | 16,279,684               | -                     | -                              | 16,279,684           |
| <b>Total assets</b>       | <b>16,279,684</b>        | <b>9,100,432,390</b>  | <b>97,144,079</b>              | <b>9,213,856,153</b> |
| <b>Liabilities</b>        |                          |                       |                                |                      |
| Payables                  | -                        | -                     | 2,924,022                      | 2,924,022            |
| <b>Total liabilities</b>  | <b>-</b>                 | <b>-</b>              | <b>2,924,022</b>               | <b>2,924,022</b>     |

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest as at 31 December 2022, is 5.78 (2021: 5.63). As of 31 December 2022, should interest rates lower or rise by 1% (2021:1%) with all other variables remaining constant, the increase or decrease in net assets attributable to shareholders would be as follows:

## 8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)(ii) Interest rate risk (continued)

| Sub-Fund  | Impact of 1%<br>movement in<br>interest rate<br>on net assets<br>attributable<br>to the<br>shareholders<br>2022<br>RMB | Impact of 1%<br>movement in<br>interest rate<br>on net assets<br>attributable<br>to the<br>shareholders<br>2021<br>RMB |
|---|--|--|
| <b>ICBC CSOP FTSE Chinese Government Bond Index ETF</b> | 414,397,312  | 512,354,344  |

(iii) Currency risk

The Sub-Fund has monetary financial assets / liabilities denominated in currencies other than Renminbi and the Sub-Fund may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Renminbi and such other currencies. The Sub-Fund may enter into foreign currency contracts designed to either hedge some or all of this exposure, or alternatively increase exposure to preferred foreign currencies.

The tables below summarise the Sub-Fund's exposure to key currencies at the end of the financial year. Monetary and non-monetary items have been taken into account for the analysis.

**ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX FUND**

| As at 31 December 2022        | SGD<br>RMB | RMB<br>RMB    | CNH<br>RMB | USD<br>RMB | Total<br>RMB  |
|-------------------------------|------------|---------------|------------|------------|---------------|
| <b>Assets</b>                 |            |               |            |            |               |
| Portfolio of investments      | -          | 7,244,638,722 | -          | -          | 7,244,638,722 |
| Receivables                   | -          | 14,497        | 2,401,353  | -          | 2,415,850     |
| Cash and cash equivalents     | 21,280     | 9,995,693     | 1,152,980  | 6,330      | 11,176,283    |
| <b>Total assets</b>           | 21,280     | 7,254,648,912 | 3,554,333  | 6,330      | 7,258,230,855 |
| <b>Liabilities</b>            |            |               |            |            |               |
| Payables                      | -          | 1,538,446     | 12,814     | 12,064     | 1,563,324     |
| <b>Total liabilities</b>      | -          | 1,538,446     | 12,814     | 12,064     | 1,563,324     |
| <b>Net financial assets</b>   | 21,280     | 7,253,110,466 | 3,541,519  | (5,734)    |               |
| <b>Net currency exposure</b>  | 21,280     | 7,253,110,466 | 3,541,519  | (5,734)    |               |
| <b>As at 31 December 2021</b> |            |               |            |            |               |
| <b>Assets</b>                 |            |               |            |            |               |
| Portfolio of investments      | -          | 9,196,524,729 | -          | -          | 9,196,524,729 |
| Receivables                   | -          | 6,258         | 1,045,482  | -          | 1,051,740     |
| Cash and cash equivalents     | 18,811     | 12,130,087    | 4,084,883  | 45,903     | 16,279,684    |
| <b>Total assets</b>           | 18,811     | 9,208,661,074 | 5,130,365  | 45,903     | 9,213,856,153 |
| <b>Liabilities</b>            |            |               |            |            |               |
| Payables                      | 3,281      | 2,896,789     | 16,050     | 7,902      | 2,924,022     |
| <b>Total liabilities</b>      | 3,281      | 2,896,789     | 16,050     | 7,902      | 2,924,022     |
| <b>Net financial assets</b>   | 15,530     | 9,205,764,285 | 5,114,315  | 38,001     |               |
| <b>Net currency exposure</b>  | 15,530     | 9,205,764,285 | 5,114,315  | 38,001     |               |

The Sub-Fund's monetary assets / liabilities are measured for their sensitivity to exchange rate movements based on the balance of the monetary assets / liabilities, forecasted exchange rate movements and the net asset value of the Sub-Fund.

As of 31 December 2022 and 2021, the Sub-Fund's exposure to foreign currency fluctuations with respect to the monetary assets/ liabilities is not considered to be significant and hence no sensitivity analysis on foreign currency risk has been presented.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

**8. FINANCIAL RISK MANAGEMENT (continued)**(b) Liquidity risk

Liquidity risk is the risk of loss arising from the inability of the Sub-Fund to meet its obligation as and when they fall due without incurring unacceptable cost or losses.

The Sub-Fund is exposed to daily redemption of units from shareholders. The Manager therefore ensures that the Sub-Fund maintains sufficient cash and cash equivalents and that it is able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable efforts will be taken to invest in investments that are traded in an active market and can be readily disposed of.

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

**ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX FUND**

| <b>As at 31 December 2022</b> | <b>Less than<br/>3 months<br/>RMB</b> | <b>3 months -<br/>1 year<br/>RMB</b> | <b>1-5<br/>years<br/>RMB</b> | <b>Above<br/>5 years<br/>RMB</b> |
|-------------------------------|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|
| Payables                      | 1,563,324                             | -                                    | -                            | -                                |
|                               | <b>Less than<br/>RMB</b>              | <b>3 months -<br/>RMB</b>            | <b>1-5<br/>RMB</b>           | <b>Above<br/>RMB</b>             |
| <b>As at 31 December 2021</b> |                                       |                                      |                              |                                  |
| Payables                      | 2,924,022                             | -                                    | -                            | -                                |

(c) Credit risk

Credit risk is the risk that counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

The Sub-Fund's investment objective is to track the FTSE Chinese Government Bond Index, and hence holds investments in chinese government bonds which makes up 99.83% (2021: 99.84%) of its total net assets attributable to shareholders as at 31 December 2022.

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received 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.

Credit risk also arises from cash and cash equivalents and assets held with financial institutions.

The Sub-Fund may also enter into derivatives to manage its exposures to currency risk and price risk, including foreign exchange forward contracts and options. Hence, the Sub-Fund is also exposed to the risk that its derivatives held with counterparties may not be recoverable in the event of any default by the parties concerned. The Manager minimises the Sub-Fund's credit risk by undertaking transactions with banks that are part of banking groups with good credit ratings assigned by Standard and Poor's ("S&P") or Moody's.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 8. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The tables below summarise the credit rating of bank and custodian in which the Sub-Fund's assets are held as at 31 December 2022 and 2021.

## ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX FUND

## As at 31 December 2022

Custodian

The Hongkong and Shanghai Banking Corporation Limited

Credit  
rating ##

AA-

Source of credit  
rating

S&amp;P

Bank

The Hongkong and Shanghai Banking Corporation Limited

AA-

S&amp;P

## As at 31 December 2021

Custodian

The Hongkong and Shanghai Banking Corporation Limited

Credit  
rating ##

AA-

Source of credit  
rating

S&amp;P

Bank

The Hongkong and Shanghai Banking Corporation Limited

AA-

S&amp;P

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit ratings are based on the Long-Term Issuer Ratings published by the rating agency.

## Group credit ratings are presented for unrated subsidiaries.

The tables below analyse the portfolio of debt securities by rating category:

## Debt securities portfolio by rating category

| Rating                                      | 2022<br>% | 2021<br>% |
|---|-----------|-----------|
| A+  | 98.79     | 4.07      |
| A1  | -         | 1.23      |
| Unrated                                     | -         | 93.50     |
| Accrued interest receivable on quoted bonds | 1.04      | 1.04      |
| Total debt securities                       | 99.83     | 99.84     |

(d) Capital management

The Sub-Fund's capital is represented by the net assets attributable to shareholders. 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 shareholders' redemptions.

(e) Fair value estimation

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

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

## CSOP INVESTMENTS VCC

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

#### 8. FINANCIAL RISK MANAGEMENT (continued)

##### (e) Fair value estimation (continued)

The following tables analyse within the fair value hierarchy the Sub-Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2022 and 2021.

##### ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX FUND

| As at 31 December 2022   | Level 1<br>RMB | Level 2<br>RMB  | Level 3<br>RMB | Total<br>RMB  |
|--------------------------|----------------|-----------------|----------------|---------------|
| <b>Assets</b>            |                |                 |                |               |
| Portfolio of investments |                |                 |                |               |
| - Quoted debt securities |                | - 7,244,638,722 | -              | 7,244,638,722 |

| As at 31 December 2021   | Level 1<br>RMB | Level 2<br>RMB  | Level 3<br>RMB | Total<br>RMB  |
|--------------------------|----------------|-----------------|----------------|---------------|
| <b>Assets</b>            |                |                 |                |               |
| Portfolio of investments |                |                 |                |               |
| - Quoted debt securities |                | - 9,196,524,729 | -              | 9,196,524,729 |

Financial instruments that trade in markets 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. These include government and corporate debt securities and over-the-counter derivatives.

Except for cash and bank balances which are classified as Level 1, the Sub-Fund's assets and liabilities not measured at fair value at 31 December 2022 and 2021 have been classified as Level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the reporting date.

#### 9. RELATED PARTY TRANSACTIONS

The Manager of the Sub-Fund is CSOP Asset Management Pte. Ltd. The Custodian and Registrar of the Sub-fund is HSBC Institutional Trust Services (Singapore) Limited

Management fees are paid to the Manager. Trustee and valuation fees, registrar fees and safekeeping fees are paid to the custodian and registrar from the management fees based on terms set out in the prospectus.

In addition to the related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial year between the Sub-Fund and related parties at terms agreed between the parties and within the prospectus:

|   | 2022<br>RMB | 2021<br>RMB |
|---|-------------|-------------|
| Transaction fees charged by the custodian | 98,562      | 89,063      |

#### 10. FINANCIAL RATIOS

|   | ICBC CSOP FTSE<br>CHINESE GOVERNMENT<br>BOND INDEX ETF |           |
|---|--|-----------|
|   | 2022<br>%  | 2021<br>% |
| Expense ratio <sup>1</sup> (excluding preliminary expenses) | 0.26   | 0.25      |
| Expense ratio <sup>1</sup> (including preliminary expenses) | 0.26   | 0.25      |
| Portfolio turnover ratio <sup>2</sup>                       | 34   | 51        |

<sup>1</sup> The expense ratios have been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Sub-Fund's expense ratios was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to shareholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

## CSOP INVESTMENTS VCC

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

#### 10. FINANCIAL RATIOS (continued)

Total operating expenses and average net asset value are as follows:

|  | ICBC CSOP FTSE<br>CHINESE GOVERNMENT<br>BOND INDEX ETF |               |
|--|--|---------------|
|  | 2022<br>RMB  | 2021<br>RMB   |
| Total operating expenses<br>(excluding preliminary expenses) | 21,881,593   | 22,477,107    |
| Total operating expenses<br>(including preliminary expenses) | 21,925,392   | 22,477,107    |
| Average net asset value                                      | 8,549,779,955  | 8,829,591,532 |

- <sup>2</sup> The portfolio turnover ratios are calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratios was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net asset value as follows:

|   | ICBC CSOP FTSE<br>CHINESE GOVERNMENT<br>BOND INDEX ETF |               |
|---|--|---------------|
|   | 2022<br>RMB  | 2021<br>RMB   |
| Total value of sales of<br>the underlying investments | 2,913,354,487  | 4,470,268,833 |
| Average net asset value                               | 8,549,779,955  | 8,829,591,532 |

#### 11. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of CSOP Investments VCC on 29 March 2023.

CSOP INVESTMENTS VCC

DISCLOSURES ON THE COMPANY AND SUB-FUND

For the financial year ended 31 December 2022

**A Distribution of Investments**

|   | <b>Fair Value<br/>RMB</b> | <b>NAV<br/>%</b> |
|---|---------------------------|------------------|
| <b>(i) Country</b>                          |                           |                  |
| China                                       | 7,169,503,670             | 98.79            |
| Accrued interest receivable on quoted bonds | 75,135,052                | 1.04             |
| <b>Portfolio of investments</b>             | 7,244,638,722             | 99.83            |
| <b>Other net assets</b>                     | 12,028,809                | 0.17             |
| <b>Total</b>                                | <b>7,256,667,531</b>      | <b>100.00</b>    |
| <b>(ii) Industry</b>                        |                           |                  |
| Government                                  | 7,169,503,670             | 98.79            |
| Accrued interest receivable on quoted bonds | 75,135,052                | 1.04             |
| <b>Portfolio of investments</b>             | 7,244,638,722             | 99.83            |
| <b>Other net assets</b>                     | 12,028,809                | 0.17             |
| <b>Total</b>                                | <b>7,256,667,531</b>      | <b>100.00</b>    |
| <b>(iii) Asset Class</b>                    |                           |                  |
| Bonds                                       | 7,169,503,670             | 98.79            |
| Accrued interest receivable on quoted bonds | 75,135,052                | 1.04             |
| <b>Portfolio of investments</b>             | 7,244,638,722             | 99.83            |
| <b>Other net assets</b>                     | 12,028,809                | 0.17             |
| <b>Total</b>                                | <b>7,256,667,531</b>      | <b>100.00</b>    |

CSOP INVESTMENTS VCC

DISCLOSURES ON THE COMPANY AND SUB-FUND

For the financial year ended 31 December 2022

A Distribution of Investments (continued)

|   | Fair Value<br>RMB | NAV<br>% |
|---|-------------------|----------|
| <b>(iv) Credit Rating</b>                   |                   |          |
| A+  | 7,169,503,670     | 98.79    |
| Accrued interest receivable on quoted bonds | 75,135,052        | 1.04     |
| <b>Portfolio of investments</b>             | 7,244,638,722     | 99.83    |
| <b>Other net assets</b>                     | 12,028,809        | 0.17     |
| <b>Total</b>                                | 7,256,667,531     | 100.00   |

B Top 10 Holdings

| Securities  | Fair Value<br>RMB | NAV<br>% |
|---|-------------------|----------|
| <b>As at 31 December 2022</b>                             |                   |          |
| Government of China Series Interbank 3.27% due 19/11/2030 | 196,510,160       | 2.71     |
| Government of China Series Interbank 2.68% due 21/05/2030 | 187,829,060       | 2.59     |
| Government of China Series Interbank 3.02% due 22/10/2025 | 182,977,380       | 2.52     |
| Government of China Series Interbank 3.02% due 27/05/2031 | 182,368,980       | 2.51     |
| Government of China Series Interbank 2.85% due 04/06/2027 | 181,859,040       | 2.51     |
| Government of China Series Interbank 1.99% due 09/04/2025 | 178,399,260       | 2.46     |
| Government of China Series Interbank 3.28% due 03/12/2027 | 175,034,040       | 2.41     |
| Government of China Series Interbank 2.69% due 12/08/2026 | 170,720,970       | 2.35     |
| Government of China Series Interbank 3.81% due 14/09/2050 | 164,687,850       | 2.27     |
| Government of China Series Interbank 3.01% due 13/05/2028 | 162,507,840       | 2.24     |
| <b>As at 31 December 2021</b>                             |                   |          |
| Government of China Series Interbank 3.27% due 19/11/2030 | 310,125,900       | 3.37     |
| Government of China Series Interbank 3.02% due 22/10/2025 | 294,791,090       | 3.20     |
| Government of China Series Interbank 2.85% due 04/06/2027 | 282,275,840       | 3.06     |
| Government of China Series Interbank 3.28% due 03/12/2027 | 279,221,580       | 3.03     |
| Government of China Series Interbank 2.68% due 21/05/2030 | 275,885,400       | 3.00     |
| Government of China Series Interbank 1.99% due 09/04/2025 | 275,068,640       | 2.99     |
| Government of China Series Interbank 2.88% due 05/11/2023 | 272,360,070       | 2.96     |
| Government of China Series Interbank 3.02% due 27/05/2031 | 264,152,980       | 2.87     |
| Government of China Series Interbank 3.81% due 14/09/2050 | 256,373,040       | 2.78     |
| Government of China Series Interbank 3.01% due 13/05/2028 | 253,500,250       | 2.75     |

## CSOP INVESTMENTS VCC

### DISCLOSURES ON THE COMPANY AND SUB-FUND

For the financial year ended 31 December 2022

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#### C Exposure to Derivatives

Net realised gain on foreign exchange spots contracts for the financial year ended 31 December 2022 is RMB1,128,772.

#### D Global Exposure

N/A

#### E Collateral

N/A

#### F Securities Lending or Repurchase Transactions

NIL

#### G Amount and Percentage of NAV Invested in Other Unit Trusts, Mutual Funds and Collective Investment Schemes

NIL

#### H Amount and Percentage of Borrowings of NAV

N/A

#### I Total Amount of Subscription and Redemption

|                          |     |               |
|--------------------------|-----|---------------|
| Amount of subscription : | RMB | 2,007,849,337 |
| Amount of redemption :   | RMB | 4,024,096,277 |

#### J Amount and Terms of Related-Party Transactions

Refer to Note 9 of the "Notes to the Financial Statements"

#### K Performance of Fund in a Consistent Format

| Period          | NAV-to-NAV | Index* |
|-----------------|------------|--------|
| 3 Months        | 0.19%      | 0.28%  |
| 6 Months        | 1.48%      | 1.63%  |
| 1 year          | 2.89%      | 3.17%  |
| Since inception | 3.76%      | 4.11%  |

Note :

Returns are calculated based on the Fund's daily RMB NAV returns assuming the Fund's dividends reinvested at NAV price.

Returns less than 1 year are not annualized.

\* FTSE Chinese Government Bond Index

## CSOP INVESTMENTS VCC

### DISCLOSURES ON THE COMPANY AND SUB-FUND

For the financial year ended 31 December 2022

#### L Expense Ratio

|   | ICBC CSOP FTSE<br>CHINESE GOVERNMENT<br>BOND INDEX ETF |           |
|---|--|-----------|
|   | 2022<br>%  | 2021<br>% |
| Expense ratio <sup>1</sup> (excluding preliminary expenses) | 0.26   | 0.25      |
| Expense ratio <sup>1</sup> (including preliminary expenses) | 0.26   | 0.25      |
| Portfolio turnover ratio <sup>2</sup>                       | <u>34</u>  | <u>51</u> |

The expense ratios have been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Sub-Fund's expense ratios was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to shareholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

|  | ICBC CSOP FTSE<br>CHINESE GOVERNMENT<br>BOND INDEX ETF |                      |
|--|--|----------------------|
|  | 2022<br>RMB  | 2021<br>RMB          |
| Total operating expenses<br>(excluding preliminary expenses) | 21,881,593   | 22,477,107           |
| Total operating expenses<br>(including preliminary expenses) | 21,925,392   | 22,477,107           |
| Average daily net asset value                                | <u>8,549,779,955</u>                                   | <u>8,829,591,532</u> |

**DISCLOSURES ON THE COMPANY AND SUB-FUND***For the financial year ended 31 December 2022***M Turnover Ratio**

The portfolio turnover ratios are calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratios was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net asset value as follows:

|   | <b>ICBC CSOP FTSE<br/>CHINESE GOVERNMENT<br/>BOND INDEX ETF</b> |               |
|---|---|---------------|
|   | <b>2022</b>   | <b>2021</b>   |
|   | <b>RMB</b>  | <b>RMB</b>    |
| Total value of purchases / sales of<br>the underlying investments | 2,913,354,487   | 4,470,268,833 |
| Average net asset value   | 8,549,779,955   | 8,829,591,532 |

**N Any Material Information That Will Adversely Impact The Valuation of The Trust Such As Contingent Liabilities of Open Contracts**

N/A

**O Soft Dollar Commissions Received by the Manager**

The Manager currently does not but shall be entitled to receive and enter into soft-dollar commissions/arrangements in respect of the Sub-Fund.

The Manager will comply with applicable regulatory and industry standards on soft dollars. The soft dollar commissions which the Manager may receive include research, and payment of certain expenses, such as newswire and data processing charges, quotation services, and periodical subscription fees.

Soft dollar commissions or arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries, direct money payment.

The Manager will not accept or enter into soft dollar commissions or arrangements unless such soft dollar commissions or arrangements would, in the opinion of the Manager, be reasonably expected to assist the Manager in their management of the Company and/or the Sub-Fund(s), provided that the Manager shall ensure at all times that transactions are executed on a "best execution" basis taking into account the relevant market at the time for transactions of the kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements.

**P Any fees paid to the VCC Directors that are incurred as an expense of the VCC**

N/A

**Q Information on cross sub-fund investments of the same VCC conducted during the year**

N/A