

CSOP INVESTMENTS VCC

(Incorporated in Singapore. Registration Number: T20VC0088A)

ANNUAL REPORT

For the financial year ended 31 December 2023

CSOP INVESTMENTS VCC

(Incorporated in Singapore)

ANNUAL REPORT

For the financial year ended 31 December 2023

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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

SOH Yee Fei
WONG Ka Yan
CHEN Chia Ling

Directors of the Manager

DING Chen
SOH Yee Fei
Melody Xian HE

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 2023

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.

Outlook

Looking into the future, a major theme for China is deleveraging. Additionally, to ensure sustainable economic recovery, aggressive fiscal and persistent monetary stimulus is required. As the debt problem of local government financial vehicles (LGFVs) has plagued the economy, deleveraging LGFVs has emerged as one of the top priorities. We envision 4 resolution plans: 1) central-local debt swap to replace existing hidden debt with government leverage; 2) coordinated fiscal and monetary easing; 3) debt restructuring through renegotiations with banks; and 4) capital injection by SOEs. The resolution plans, coupled with the implicit China government's protection which increases credibility, we believe LGFV will not evolve into a full-blown financial crisis. Nevertheless, as local governments are responsible for 85% of general budgetary spending, weak LGFV and local government's balance sheet raises concerns on local government's ability to deliver fiscal stimulus.

To support China's economy and alleviate LGFV's debt burden and property developers' credit issues, more monetary easing in the form of rates decline would be necessary. However, the present liquidity and large FX pressure, makes it challenging to implement aggressive rate cuts. As such, we anticipated moderate policy rate cut and RRR cut, probably after Fed pivots. Another avenue to support China's economy would be to implement more robust fiscal stimulus measures. As fiscal policy is the key to boosting real demand, 2024's fiscal policies are postulated to be more supportive than 2023's. This is because of signals of increasingly stronger fiscal policies since August 2023, such as the unusual fiscal deficit increase from 3.0% to 3.8% of GDP. However, the current fiscal policy implementation still falls short of investors' expectations YTD 2024 at the time of writing.

Neutral/positive on onshore China rates bonds

- China bond returns continue to get support from moderate growth and supportive monetary policies
- China bonds as a safe-haven under growth pressures

Negative on RMB

In 2024, RMB will be driven by:

- Internal risk factor: limited local government stimulus capability and continued housing market pressure
- External risk factor: Fed pivots may occur in 2024, which would cause USD weakness, but the timing is still highly uncertain.

CSOP INVESTMENTS VCC

STATEMENT OF DIRECTORS

For the financial year ended 31 December 2023

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 2023.

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 2023 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:

SOH Yee Fei (appointed on 31 December 2023)
WONG Ka Yan
CHEN Chia Ling

Directors of the Manager

DING Chen
SOH Yee Fei
Melody Xian HE

SOH Yee Fei

Ms. Soh is concurrently a director and the country head of CSOP Asset Management Pte. Ltd., assisting the CEO in the overall business operations of the Manager.

Prior to this, Ms. Soh headed the Product and Client Strategy team for CSOP Asset Management Pte. Ltd., responsible for new product listings and cross-border initiatives in the region, which included the inaugural Singapore-China ETF Link. Before joining CSOP, Ms. Soh held the position of Principal Product Manager at Gemini Trust Singapore, where she spearheaded product initiatives for the regulated cryptocurrency exchange and custodian.

Prior to her tenure at Gemini Trust, Ms. Soh served as the head of the equity derivatives development team at Singapore Exchange (SGX). Her responsibilities included driving the development of new product initiatives for the exchange. During her time at SGX, Ms. Soh played a pivotal role in the creation and growth of prominent contracts such as the FTSE China A50 Index, Nifty India Index, MSCI Taiwan, and FTSE Taiwan index futures. Before her engagement with SGX, she was an FX options trader at Mizuho Financial Group.

Ms. Soh holds a Bachelor of Business (Banking) from Nanyang Technology University Singapore.

CSOP INVESTMENTS VCC

STATEMENT OF DIRECTORS

For the financial year ended 31 December 2023

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 2023

Melody Xian HE

Ms. He is a non-executive director of the Manager. She is also concurrently the deputy CEO of CSOP AM, the parent company of CSOP Asset Management Pte. Ltd. Ms. He joined the CSOP AM in 2012 and currently oversees the Sales & Marketing, Capital Markets, Trading and IT department of CSOP AM.

Prior to joining CSOP, Ms. He was a former FICC (Fixed Income, Currency and Commodities) sales with Goldman Sachs covering Greater China Market institutions and responsible for credit (cash and derivatives, including single name CDS and indices) products, retail structured products, interest rate products and swaps.

Ms. He holds a Bachelor's dual-degree in Economics and Psychology from University of Michigan.

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

Authorised signatory

27 March 2024

CSOP INVESTMENTS VCC

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2023

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 the financial position and the portfolio holdings of the Company and the Sub-Fund as at 31 December 2023, 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.

Authorised signatory

27 March 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CSOP INVESTMENTS VCC

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 2023 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 2023;
- the Statements of Financial Position for the Company and of the Sub-Fund as at 31 December 2023;
- 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 2023;
- the Statement of Portfolio of the Sub-Fund as at 31 December 2023; and
- the notes to the financial statements, including a summary of material accounting policy information.

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

Other Information

Management is 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 Management and Directors for the Financial Statements

Management is 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, management is 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 management 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

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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 2023

	Note	CSOP INVESTMENTS VCC		ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF	
		2023 RMB	2022 RMB	2023 RMB	2022 RMB
Income					
Interest on cash and cash equivalents		-	-	102,636	91,419
		-	-	102,636	91,419
Less: Expenses					
Management fee	10	-	-	12,700,491	21,430,427
Professional fees		-	-	377,478	155,226
Registration fee		-	-	17,031	67,354
Preliminary expenses		-	-	-	43,799
Transaction costs	10	-	-	84,814	98,562
Miscellaneous expenses		-	-	111,125	228,586
		-	-	13,290,939	22,023,954
Net losses		-	-	(13,188,303)	(21,932,535)
Net gains or losses on value of investments and financial derivatives					
Net gains on investments		-	-	211,332,432	273,053,217
Net (losses)/ gains on foreign exchange spot contracts		-	-	(771,314)	1,128,772
Net foreign exchange gains		-	-	25,799,504	3,142,871
		-	-	236,360,622	277,324,860
Total return for the financial year before income tax		-	-	223,172,319	255,392,325
Less: Income tax	3	-	-	(6,488)	(7,709)
Total return for the financial year		-	-	223,165,831	255,384,616

CSOP INVESTMENTS VCC

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	CSOP INVESTMENTS VCC		ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF	
		2023	2022	2023	2022
		RMB	RMB	RMB	RMB
ASSETS					
Portfolio of investments		-	-	4,107,101,319	7,244,638,722
Receivables	4	5	5	228,982	2,415,850
Due from brokers	5	-	-	20,406,107	-
Cash and cash equivalents		-	-	6,486,639	11,176,283
Total assets		5	5	4,134,223,047	7,258,230,855
LIABILITIES					
Payables	6	-	-	14,764,471	1,563,324
Total liabilities		-	-	14,764,471	1,563,324
EQUITY					
Management share	8	5	5	-	-
Net assets attributable to shareholders	8	-	-	4,119,458,576	7,256,667,531
Total equity		5	5	4,119,458,576	7,256,667,531

CSOP INVESTMENTS VCC

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the financial year ended 31 December 2023

CSOP INVESTMENTS VCC	Note	Management shares and total equity	
		2023 RMB	2022 RMB
At beginning of financial year	8	5	5
Issuance during the year		-	-
At financial year end		5	5

ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF

ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF	Note	Participating shares and total equity	
		2023 RMB	2022 RMB
Net assets attributable to shareholders at the beginning of the financial year		7,256,667,531	9,210,932,131
Proceeds from shares issued		899,202,376	2,007,849,337
Redemption of shares		(4,191,008,379)	(4,024,096,277)
Net decrease from share transactions		(3,291,806,003)	(2,016,246,940)
Increase in net assets attributable to shareholders from operations		223,165,831	255,384,616
Distributions	7	(68,568,783)	(193,402,276)
Net assets attributable to shareholders at the end of the financial year	8	4,119,458,576	7,256,667,531

CSOP INVESTMENTS VCC

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

As at 31 December 2023

	Holdings at 31 December 2023	Fair value at 31 December 2023 RMB	Percentage of total net assets attributable to shareholders at 31 December 2023 %
By Country (Primary)			
QUOTED DEBT SECURITIES			
CHINA			
Government of China Series Interbank 2.68% due 21/05/2030	90,000,000	90,770,400	2.20
Government of China Series Interbank 1.99% due 09/04/2025	90,000,000	89,752,320	2.18
Government of China Series Interbank 3.27% due 19/11/2030	80,000,000	83,924,880	2.04
Government of China Series Interbank 3.28% due 03/12/2027	80,000,000	82,994,800	2.01
Government of China Series Interbank 3.02% due 27/05/2031	80,000,000	82,610,480	2.01
Government of China Series Interbank 3.81% due 14/09/2050	70,000,000	81,644,360	1.98
Government of China Series Interbank 2.85% due 04/06/2027	80,000,000	81,254,160	1.97
Government of China Series Interbank 3.02% due 22/10/2025	80,000,000	81,218,000	1.97
Government of China Series Interbank 2.69% due 12/08/2026	80,000,000	80,778,000	1.96
Government of China Series 1906 Interbank 3.29% due 23/05/2029	70,000,000	73,087,560	1.77
Government of China Series Interbank 3.01% due 13/05/2028	70,000,000	71,852,200	1.74
Government of China Series 1907 Interbank 3.25% due 06/06/2026	70,000,000	71,774,150	1.74
Government of China Series Interbank 2.91% due 14/10/2028	70,000,000	71,643,460	1.74
Government of China Series 1828 Interbank 3.22% due 06/12/2025	70,000,000	71,447,880	1.73
Government of China Series Interbank 3.03% due 11/03/2026	70,000,000	71,238,300	1.73
Government of China Series Interbank 2.62% due 25/06/2030	70,000,000	70,364,630	1.71
Government of China Series Interbank 2.46% due 15/02/2026	70,000,000	70,274,890	1.71
Government of China Series Interbank 2.35% due 15/03/2025	70,000,000	70,147,280	1.70
Government of China Series Interbank 2.3% due 15/05/2026	70,000,000	70,048,510	1.70
Government of China Series Interbank 2.18% due 25/08/2025	70,000,000	69,971,650	1.70
Government of China Series Interbank 3.39% due 16/03/2050	60,000,000	65,217,120	1.58
Government of China Series 1827 Interbank 3.25% due 22/11/2028	60,000,000	62,454,960	1.52
Government of China Series 1915 Interbank 3.13% due 21/11/2029	60,000,000	62,196,540	1.51
Government of China Series Interbank 2.88% due 25/02/2033	60,000,000	61,519,560	1.49
Government of China Bond Series 1916 China Interbank 3.12% due 05/12/2026	60,000,000	61,463,760	1.49
Government of China Series Interbank 2.8% due 15/11/2032	60,000,000	60,974,760	1.48
Government of China Series Interbank 2.79% due 15/12/2029	60,000,000	60,973,860	1.48
Government of China Series Interbank 2.8% due 24/03/2029	60,000,000	60,954,240	1.48
Government of China Series Interbank 2.8% due 25/03/2030	60,000,000	60,910,860	1.48
Government of China Series Interbank 2.75% due 17/02/2032	60,000,000	60,727,320	1.47
Government of China Series Interbank 2.64% due 15/01/2028	60,000,000	60,624,960	1.47
Government of China Series Interbank 2.62% due 15/04/2028	60,000,000	60,579,900	1.47
Government of China Series 1824 Interbank 4.08% due 22/10/2048	50,000,000	60,447,000	1.47
Government of China Series Interbank 2.69% due 15/08/2032	60,000,000	60,412,860	1.47
Government of China Series Interbank 2.67% due 25/05/2033	60,000,000	60,393,480	1.47
Government of China Series Interbank 2.5% due 25/07/2027	60,000,000	60,254,640	1.46

CSOP INVESTMENTS VCC

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

As at 31 December 2023

	Holdings at 31 December 2023	Fair value at 31 December 2023 RMB	Percentage of total net assets attributable to shareholders at 31 December 2023 %
By Country (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
CHINA (continued)			
Government of China Series Interbank 2.44% due 15/10/2027	60,000,000	60,097,500	1.46
Government of China Series Interbank 2.37% due 20/01/2027	60,000,000	60,057,780	1.46
Government of China Series Interbank 2.28% due 25/11/2025	60,000,000	60,053,160	1.46
Government of China Series Interbank 2% due 15/06/2025	60,000,000	59,814,180	1.45
Government of China Series Interbank 2.52% due 25/08/2033	60,000,000	59,722,920	1.45
Government of China Series 1910 Interbank 3.86% due 22/07/2049	50,000,000	58,641,350	1.42
Government of China Series Interbank 2.89% due 18/11/2031	50,000,000	51,133,500	1.24
Government of China Series Interbank 2.75% due 15/06/2029	50,000,000	50,685,300	1.23
Government of China Series Interbank 2.76% due 15/05/2032	50,000,000	50,609,450	1.23
Government of China Series Interbank 2.62% due 25/09/2029	50,000,000	50,322,650	1.22
Government of China Series Interbank 2.6% due 15/09/2030	50,000,000	50,219,850	1.22
Government of China Series Interbank 2.24% due 25/05/2025	50,000,000	50,028,700	1.22
Government of China Series Interbank 2.6% due 01/09/2032	50,000,000	49,996,300	1.21
Government of China Series Interbank 2.4% due 15/07/2028	50,000,000	49,994,500	1.21
Government of China Series Interbank 3.72% due 12/04/2051	40,000,000	46,109,360	1.12
Government of China Series Interbank 3.32% due 15/04/2052	40,000,000	43,163,880	1.05
Government of China Bond Series 1811 China Interbank 3.69% due 17/05/2028	40,000,000	42,466,920	1.03
Government of China Series Interbank 3.12% due 25/10/2052	40,000,000	41,839,360	1.02
Government of China Series 1820 Interbank 3.6% due 06/09/2025	40,000,000	41,073,800	1.00
Government of China Bond Series 1523 China Interbank 2.99% due 15/10/2025	40,000,000	40,551,440	0.99
Government of China Bond Series 1617 China Interbank 2.74% due 04/08/2026	40,000,000	40,442,520	0.98
Government of China Series Interbank 2.48% due 15/04/2027	40,000,000	40,137,360	0.97
Government of China Series Interbank 3.53% due 18/10/2051	30,000,000	33,580,290	0.82
Government of China Series Interbank 3.19% due 15/04/2053	30,000,000	31,951,860	0.78
Government of China Bond Series 1819 China Interbank 3.54% due 16/08/2028	30,000,000	31,695,990	0.77
Government of China Bond Series 1718 China Interbank 3.59% due 03/08/2027	30,000,000	31,479,690	0.76
Government of China Bond Series 1710 China Interbank 3.52% due 04/05/2027	30,000,000	31,305,630	0.76
Government of China Bond Series 1813 China Interbank 3.61% due 07/06/2025	30,000,000	30,729,120	0.75
Government of China Series Interbank 2.67% due 25/11/2033	30,000,000	30,292,800	0.74
Government of China Series Interbank 2.55% due 15/10/2028	30,000,000	30,208,560	0.73
Government of China Series Interbank 2.48% due 25/09/2028	30,000,000	30,090,450	0.73
Government of China Series Interbank 2.39% due 15/11/2026	30,000,000	30,079,440	0.73
Government of China Series Interbank 2.26% due 24/02/2025	30,000,000	30,027,660	0.73
Government of China Series Interbank 2.18% due 15/08/2026	30,000,000	29,915,280	0.73
Government of China Bond Series 1805 China Interbank 3.77% due 08/03/2025	20,000,000	20,448,860	0.50
Government of China Bond Series 1610 China Interbank 2.9% due 05/05/2026	20,000,000	20,296,900	0.49
Government of China Series Interbank 2.22% due 25/09/2025	20,000,000	20,004,140	0.49
Government of China Series Interbank 3% due 15/10/2053	10,000,000	10,347,300	0.25
Government of China Series Interbank 2.33% due 15/12/2025	10,000,000	10,020,220	0.24
TOTAL DEBT SECURITIES		4,066,539,700	98.72
Accrued interest receivable on quoted fixed income securities		40,561,619	0.98
Portfolio of investments		4,107,101,319	99.70
Other net assets		12,357,257	0.30
Net assets attributable to shareholders		4,119,458,576	100.00

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

CSOP INVESTMENTS VCC

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

As at 31 December 2023

	Percentage of total net assets attributable to shareholders at 31 December 2023 %	Percentage of total net assets attributable to shareholders at 31 December 2022 %
By Country (Summary)		
China	98.72	98.79
Accrued interest receivable on debt securities	0.98	1.04
Portfolio of investments	99.70	99.83
Other net assets	0.30	0.17
Net assets attributable to shareholders	100.00	100.00

	Fair value at 31 December 2023 RMB	Percentage of total net assets attributable to shareholders at 31 December 2023 %	Percentage of total net assets attributable to shareholders at 31 December 2022 %
By Industry (Secondary)			
Government	4,066,539,700	98.72	98.79
Accrued interest receivable on debt securities	40,561,619	0.98	1.04
Portfolio of investments	4,107,101,319	99.70	99.83
Other net assets	12,357,257	0.30	0.17
Net assets attributable to shareholders	4,119,458,576	100.00	100.00

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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 will comprise one vote while each Participating Share of the Sub-Fund does not have the right to vote at the general meeting of the Company.

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 participating shares ie Class Distribution ("Class Dist") and Class Accumulation ("Class Acc"). The Class Acc has been issued on 10 October 2022.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(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, 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 in August 2023 for the financial year beginning on or after 1 January 2023.

The adoption of the revised RAP 7 did not result in substantial changes to the accounting policies of the Sub-Fund and had no material effect on the amounts reported for the current or prior years.

(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 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 shares 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.

CSOP INVESTMENTS VCC

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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 CHINESE GOVERNMENT BOND INDEX ETF	
	2023	2022
	RMB	RMB
Overseas income tax	6,488	7,709

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

4. RECEIVABLES

	ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF	
	2023	2022
	RMB	RMB
Other receivables	228,982	2,415,850

5. DUE FROM BROKERS

	ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF	
	2023	2022
	RMB	RMB
Sales awaiting settlement	20,406,107	-

6. PAYABLES

	ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF	
	2023	2022
	RMB	RMB
Amount payable for redemption of shares	13,867,008	-
Amount due to the Manager	876,563	1,538,446
Other payables	20,900	24,878
	<u>14,764,471</u>	<u>1,563,324</u>

7. DISTRIBUTIONS

	ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF	
	2023	2022
	RMB	RMB
Distribution of S\$0.20 on 15 June 2023 to shareholders on the register as at 16 June 2023	44,863,779	-
Distribution of S\$0.20 on 15 December 2023 to shareholders on the register as at 18 December 2023	23,705,004	-
Distribution of US\$0.15 on 15 June 2022 to shareholders on the register as at 16 June 2022	-	122,700,828
Distribution of S\$0.20 on 15 December 2022 to shareholders on the register as at 16 December 2022	-	70,701,448
	<u>68,568,783</u>	<u>193,402,276</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

8. SHARES IN ISSUE

	ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF			
	2023 Class Acc	2023 Class Dist	2022 Class Acc	2022 Class Dist
Shares at beginning of the year	35,559,546	69,063,400	-	133,384,700
Shares created	-	12,880,000	35,559,546	9,031,946
Shares cancelled	(150,000)	(59,865,800)	-	(73,353,246)
Shares at end of the year	35,409,546	22,077,600	35,559,546	69,063,400

	ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF			
	2023 Class Acc RMB	2023 Class Dist RMB	2022 Class Acc RMB	2022 Class Dist RMB
Net assets attributable to shareholders	2,581,457,867	1,538,000,709	2,490,749,950	4,765,917,581
Net asset value per share	72.9028	69.6634	70.0444	69.0078

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

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

	ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF			
	2023 Class Acc RMB	2023 Class Dist RMB	2022 Class Acc RMB	2022 Class Dist RMB
Net assets attributable to shareholders per share per financial statements	72.9028	69.6634	70.0444	69.0078
Effect of preliminary expenses	0.0063	0.0060	0.0054	0.0053
Effect of movement in the net asset value between the last dealing date and the financial year end date	(0.0099)	(0.0125)	(0.0049)	(0.0049)
Effect of changes in foreign exchange rates	*	*	*	*
Net assets attributable to shareholders per share for issuing/redeeming units	72.8992	69.6569	70.0449	69.0082

* denotes amount less than RMB0.0001

9. 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.

9. FINANCIAL RISK MANAGEMENT (continued)(a) Market risk (continued)

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 2023**

	Variable rates RMB	Fixed rates RMB	Non-interest bearing RMB	Total RMB
Assets				
Portfolio of investments	-	4,066,539,700	40,561,619	4,107,101,319
Receivables	-	-	228,982	228,982
Due from brokers	-	-	20,406,107	20,406,107
Cash and cash equivalents	6,486,639	-	-	6,486,639
Total assets	6,486,639	4,066,539,700	61,196,708	4,134,223,047
Liabilities				
Payables	-	-	14,764,471	14,764,471
Total liabilities	-	-	14,764,471	14,764,471

As at 31 December 2022

	Variable rates RMB	Fixed rates RMB	Non-interest bearing RMB	Total RMB
Assets				
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
Total assets	11,176,283	7,169,503,670	77,550,902	7,258,230,855
Liabilities				
Payables	-	-	1,563,324	1,563,324
Total liabilities	-	-	1,563,324	1,563,324

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest as at 31 December 2023, is 5.69 (2022: 5.78). As of 31 December 2023, should interest rates lower or rise by 1% (2022:1%) with all other variables remaining constant, the increase or decrease in net assets attributable to shareholders would be as follows:

9. FINANCIAL RISK MANAGEMENT (continued)

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

Sub-Fund	Impact of 1% movement in interest rate on net assets attributable to the shareholders 2023 RMB	Impact of 1% movement in interest rate on net assets attributable to the shareholders 2022 RMB
ICBC CSOP FTSE Chinese Government Bond Index ETF	231,386,109	414,397,312

(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 2023	SGD RMB	RMB RMB	CNH RMB	USD RMB	Total RMB
Assets					
Portfolio of investments	-	4,107,101,319	-	-	4,107,101,319
Receivables	-	228,965	16	1	228,982
Due from brokers	-	20,406,107	-	-	20,406,107
Cash and cash equivalents	26,045	3,592,988	2,859,941	7,665	6,486,639
Total assets	26,045	4,131,329,379	2,859,957	7,666	4,134,223,047
Liabilities					
Payables	-	876,563	8,421	13,879,487	14,764,471
Total liabilities	-	876,563	8,421	13,879,487	14,764,471
Net financial assets	26,045	4,130,452,816	2,851,536	(13,871,821)	
Net currency exposure	26,045	4,130,452,816	2,851,536	(13,871,821)	
As at 31 December 2022					
Assets					
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
Total assets	21,280	7,254,648,912	3,554,333	6,330	7,258,230,855
Liabilities					
Payables	-	1,538,446	12,814	12,064	1,563,324
Total liabilities	-	1,538,446	12,814	12,064	1,563,324
Net financial assets	21,280	7,253,110,466	3,541,519	(5,734)	
Net currency exposure	21,280	7,253,110,466	3,541,519	(5,734)	

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 2023 and 2022, 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 2023

9. 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 shares 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

As at 31 December 2023	Less than 3 months RMB	3 months - 1 year RMB	1-5 years RMB	Above 5 years RMB
Payables	14,764,471	-	-	-
As at 31 December 2022	Less than 3 months RMB	3 months - 1 year RMB	1-5 years RMB	Above 5 years RMB
Payables	1,563,324	-	-	-

(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 99.70% (2022: 99.83%) of its total net assets attributable to shareholders as at 31 December 2023.

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 2023

9. 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 2023 and 2022.

ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX FUND

As at 31 December 2023	Credit rating ^{##}	Source of credit rating
<u>Custodian</u> The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
<u>Bank</u> The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
As at 31 December 2022	Credit rating ^{##}	Source of credit rating
<u>Custodian</u> The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
<u>Bank</u> The Hongkong and Shanghai Banking Corporation Limited	AA-	S&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	2023 %	2022 %
A+	98.72	98.79
Unrated	-	-
Accrued interest receivable on quoted bonds	0.98	1.04
Total debt securities	<u>99.70</u>	<u>99.83</u>

(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 shares 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 2023

9. 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 2023 and 2022.

ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX FUND

As at 31 December 2023	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
Assets				
Portfolio of investments				
- Quoted debt securities		- 4,107,101,319	-	4,107,101,319

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

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 cash equivalents which are classified as Level 1, the Sub-Fund's assets and liabilities not measured at fair value at 31 December 2023 and 2022 have been classified as Level 2. The assets and liabilities included in the Statement of Financial Position except portfolio of investments are carried at amortised cost; their carrying values are reasonable approximation of fair value.

10. 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. Fund administration 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. The audit and non-audit fees paid/payable to the auditor of the Sub-Fund and the auditor's network firms are also borne by the Manager and paid from the management fees.

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:

	2023 RMB	2022 RMB
Transaction fees charged by the custodian	84,814	98,562

11. FINANCIAL RATIOS

	ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF	
	2023 %	2022 %
Expense ratio ¹ (excluding preliminary expenses)	0.26	0.26
Expense ratio ¹ (including preliminary expenses)	0.26	0.26
Portfolio turnover ratio ²	31	34

¹ 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11. FINANCIAL RATIOS (continued)

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

	ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF	
	2023 RMB	2022 RMB
Total operating expenses (excluding preliminary expenses)	13,206,125	21,881,593
Total operating expenses (including preliminary expenses)	13,206,125	21,925,392
Average net asset value	5,066,234,088	8,549,779,955

² 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 CHINESE GOVERNMENT BOND INDEX ETF	
	2023 RMB	2022 RMB
Lower of total value of purchases or sales	1,594,442,995	2,913,354,487
Average net asset value	5,066,234,088	8,549,779,955

12. 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 27 March 2024.

CSOP INVESTMENTS VCC

DISCLOSURES ON THE COMPANY AND SUB-FUND

For the financial year ended 31 December 2023

A Distribution of Investments

	Fair Value RMB	NAV %
(i) Country		
China	4,066,539,700	98.72
Accrued interest receivable on quoted bonds	40,561,619	0.98
Portfolio of investments	4,107,101,319	99.70
Other net assets	12,357,257	0.30
Total	4,119,458,576	100.00
(ii) Industry		
Government	4,066,539,700	98.72
Accrued interest receivable on quoted bonds	40,561,619	0.98
Portfolio of investments	4,107,101,319	99.70
Other net assets	12,357,257	0.30
Total	4,119,458,576	100.00
(iii) Asset Class		
Bonds	4,066,539,700	98.72
Accrued interest receivable on quoted bonds	40,561,619	0.98
Portfolio of investments	4,107,101,319	99.70
Other net assets	12,357,257	0.30
Total	4,119,458,576	100.00

CSOP INVESTMENTS VCC

DISCLOSURES ON THE COMPANY AND SUB-FUND

For the financial year ended 31 December 2023

A Distribution of Investments (continued)

	Fair Value RMB	NAV %
(iv) Credit Rating (by S&P unless stated otherwise)		
A+	4,066,539,700	98.72
Accrued interest receivable on quoted bonds	40,561,619	0.98
Portfolio of investments	4,107,101,319	99.70
Other net assets	12,357,257	0.30
Total	4,119,458,576	100.00

B Top 10 Holdings

Securities	Fair Value RMB	NAV %
As at 31 December 2023		
Government of China Series Interbank 2.68% due 21/05/2030	90,770,400	2.20
Government of China Series Interbank 1.99% due 09/04/2025	89,752,320	2.18
Government of China Series Interbank 3.27% due 19/11/2030	83,924,880	2.04
Government of China Series Interbank 3.28% due 03/12/2027	82,994,800	2.01
Government of China Series Interbank 3.02% due 27/05/2031	82,610,480	2.01
Government of China Series Interbank 3.81% due 14/09/2050	81,644,360	1.98
Government of China Series Interbank 2.85% due 04/06/2027	81,254,160	1.97
Government of China Series Interbank 3.02% due 22/10/2025	81,218,000	1.97
Government of China Series Interbank 2.69% due 12/08/2026	80,778,000	1.96
Government of China Series 1906 Interbank 3.29% due 23/05/2029	73,087,560	1.77
As at 31 December 2022		
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

CSOP INVESTMENTS VCC

DISCLOSURES ON THE COMPANY AND SUB-FUND

For the financial year ended 31 December 2023

C Exposure to Derivatives

Net realised loss on foreign exchange spots contracts for the financial year ended 31 December 2023 is RMB771,314.

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	899,202,376
Amount of redemption :	RMB	4,191,008,379

J Amount and Terms of Related-Party Transactions

Refer to Note 10 of the "Notes to the Financial Statements"

K Performance of Fund in a Consistent Format

Period	NAV-to-NAV Class Acc	Index* Class Acc
3 Months	1.32%	1.41%
6 Months	1.71%	1.85%
1 year	4.07%	4.36%
Since inception	4.09%	4.44%

Period	NAV-to-NAV Class Dist	Index* Class Dist
3 Months	1.32%	1.41%
6 Months	1.71%	1.85%
1 year	4.08%	4.36%
3 years	12.32%	13.21%
Since inception	13.24%	14.41%

Note :

Returns are calculated on a NAV-to-NAV basis in RMB.

For periods exceeding 1 year, performance is based on average annual compounded returns.

* FTSE Chinese Government Bond Index

CSOP INVESTMENTS VCC

DISCLOSURES ON THE COMPANY AND SUB-FUND

For the financial year ended 31 December 2023

L Expense Ratio

	ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF	
	2023	2022
	%	%
Expense ratio ¹ (excluding preliminary expenses)	0.26	0.26
Expense ratio ¹ (including preliminary expenses)	0.26	0.26
Portfolio turnover ratio ²	31	34

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 CHINESE GOVERNMENT BOND INDEX ETF	
	2023	2022
	RMB	RMB
Total operating expenses (excluding preliminary expenses)	13,206,125	21,881,593
Total operating expenses (including preliminary expenses)	13,206,125	21,925,392
Average daily net asset value	5,066,234,088	8,549,779,955

CSOP INVESTMENTS VCC

DISCLOSURES ON THE COMPANY AND SUB-FUND

For the financial year ended 31 December 2023

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:

	ICBC CSOP FTSE CHINESE GOVERNMENT BOND INDEX ETF	
	2023 RMB	2022 RMB
Lower of total value of purchases or sales	1,594,442,995	2,913,354,487
Average net asset value	<u>5,066,234,088</u>	<u>8,549,779,955</u>

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