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

CSOP CHINA 5-YEAR TREASURY BOND ETF
Stock Codes: 83199 (RMB counter), 03199 (HKD counter) and 9199 (USD counter)
(A sub-fund of CSOP ETF Series II)

Unaudited Semi-Annual Report
FOR THE PERIOD ENDED 30 JUNE 2018

CSOP CHINA 5-YEAR TREASURY BOND ETF
(A SUB-FUND OF CSOP ETF SERIES II)

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CSOP CHINA 5-YEAR TREASURY BOND ETF
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REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The CSOP China 5-Year Treasury Bond ETF (the “Sub-Fund”) seeks to track the investment results of an index composed of PRC Treasury Bonds through the RQFII investment quota that are available to international investors, as represented by the ChinaBond 5-year Treasury Bond Index (the “Index”). It is intended that the Sub-Fund will invest not less than 80% of its NAV in the PRC Treasury Bonds included in the Index which have a term to maturity of over 4 years and less than 7 years. However, the Sub-Fund may also invest no more than 20% of its NAV in debt securities that are not included in the Index which have a term to maturity of less than 10 years, provided that the sample closely reflects the overall characteristics of the Index which the Manager believes will help the Sub-Fund achieve its investment objective.

Fund Performance

The CSOP China 5-Year Treasury Bond ETF seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As of 29 June 2018, the dealing Net Asset Value (“NAV”) per unit of the CSOP China 5-Year Treasury Bond ETF was RMB103.5793 and there were 1,600,000 units outstanding. The total asset under management was approximately RMB 165.73 million.

As at 29 June 2018, the NAV of CSOP China 5-Year Treasury Bond ETF RMB counter (stock code 83199) performed 2.68 % while the index performed 4.06 %. The difference in performance between the NAV of the CSOP China 5-Year Treasury Bond ETF and the price return index is mainly attributed to fees and expenses. In order to minimize the tracking error, the Sub-Fund also invested in policy bank bonds which have higher liquidity and better yield return. As at 29 June 2018, the duration of CSOP China 5-Year Treasury Bond ETF RMB counter (stock code 83199) was 4.16 while the price return index was 4.57.

Annual total return			
	From 29 December 2017 to 31 June 2018	From 31 December 2016 to 31 December 2017	Tracking Error (Annual)
83199 NAV (div reinvests)	3.58%	-2.20%	0.46%
ChinaBond 5-year Treasury Bond Index	4.06%	-1.04%	

Ex-Date	Record Date	Payable Date	Dividend Per Unit	Dividend Paid Out of Net Distributable Income* for the month	Dividend Paid Out of Capital
2018-01-26	2018-01-29	2018-02-01	RMB 0.9 per share	RMB 0.00	RMB 0.90
2018-04-25	2018-04-26	2018-05-02	RMB 0.9 per share	RMB 0.90	RMB 0.00

*“Net distributable income” means the net investment income (i.e. dividend income and interest income net of fees and expenses) attributable to the relevant share class and may also include net realised gains (if any) based on unaudited management accounts. However, “net distributable income” does not include net unrealised gains.

REPORT OF THE MANAGER TO THE UNITHOLDERS (CONTINUED)

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.

Exchange Liquidity

Since inception, the CSOP China 5-Year Treasury Bond ETF has attracted great investor attention from investors across the globe. The trading value of the RMB counter (stock code: 83199) remained steady at an average daily turnover of RMB 0.33 million in June 2018. The trading value of the HKD counter (stock code: 03199) remained steady at an average daily turnover of HKD 0.55 million in June 2018. The trading volume for the CSOP China 5-Year Treasury Bond ETF reflected strong interest in the CSOP China 5-Year Treasury Bond ETF.

Portfolio Rebalance

The CSOP China 5-Year Treasury Bond ETF adopts sampling strategy to track the Index.

Sub-Fund holdings as at 30 June 2018						
Ticker	**Maturity date**	**YTM(%)**	**Modified Duration**	**Amount**	**Portfolio Percentage (%)**	**Index Percentage (%)**
170021.IB	10/19/2022	3.21	3.84	30,000,000	18.51	4.38
170027.IB	12/21/2024	3.47	5.56	20,000,000	12.39	3.05
170209.IB	09/11/2020	4.03	2.00	20,000,000	12.12	0.00
180001.IB	01/18/2023	3.08	4.08	20,000,000	12.46	2.95
180005.IB	03/08/2025	3.48	5.78	30,000,000	18.45	4.82
180013.IB	06/07/2025	3.49	6.04	20,000,000	12.19	1.99
180203.IB	03/09/2021	4.01	2.47	10,000,000	6.14	0.00
Total	-	-	-	-	**92.26**	**17.19**

CSOP CHINA 5-YEAR TREASURY BOND ETF
(A SUB-FUND OF CSOP ETF SERIES II)

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	30 June 2018 (Unaudited) RMB	31 December 2017 (Audited) RMB
ASSETS			
CURRENT ASSETS			
Investments	*7(c),8(a)*	152,562,390	670,391,410
Bank interest receivable		1,110	875
Interest receivable on bonds		2,747,227	9,803,636
Bank balances	*7(c)*	10,433,739	10,956,895
Total assets		165,744,466	691,152,816
LIABILITIES			
CURRENT LIABILITIES			
Management fee payable	*7(a),7(b)*	18,997	336,337
Other accounts payable		355,060	291,490
Total liabilities		374,057	627,827
EQUITY			
Net assets attributable to unitholders	*4*	165,370,409	690,524,989

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

CSOP CHINA 5-YEAR TREASURY BOND ETF
(A SUB-FUND OF CSOP ETF SERIES II)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2018

	Notes	Period from 1 January 2018 to 30 June 2018 (Unaudited) *RMB*	Period from 1 January 2017 to 30 June 2017 (Unaudited) *RMB*
INCOME			
Interest on bank deposits	*7(c)*	29,253	16,334
Interest on bonds		2,997,691	4,306,551
Net gain/(loss) on investments	*5*	2,091,893	(10,013,530)
Other income		3,320	214,863
Total net income/(loss)		5,122,157	(5,475,782)
EXPENSES			
Management fee	*7(a),7(b)*	(399,554)	(679,721)
Audit fee		(56,529)	(64,219)
Safe custody and bank charges		(1,423)	(1,019)
Other operating expenses		(170,511)	(155,533)
Total operating expenses		(628,017)	(900,492)
Operating profit/(loss)		4,494,140	(6,376,274)
Taxation	*6*	(2,044)	(1,606)
Total comprehensive income		4,492,096	(6,377,880)

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

CSOP CHINA 5-YEAR TREASURY BOND ETF
(A SUB-FUND OF CSOP ETF SERIES II)

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2018

	Note	Period from 1 January 2018 to 30 June 2018 (Unaudited) *RMB*	Period from 1 January 2017 to 30 June 2017 (Unaudited) *RMB*
Net assets attributable to unitholders at the beginning of the period		690,524,989	279,012,401
Proceeds on issue of units		49,419,714	728,526,000
Payments on redemption of units		(575,646,390)	(13,719,143)
Net (decrease)/increase from unit transactions		(526,226,676)	714,806,857
Distribution to unitholders	*9*	(3,420,000)	(4,590,000)
Total comprehensive income for the period		4,492,096	(6,377,880)
Net assets attributable to unitholders at the end of the period		165,370,409	982,851,378

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

CSOP CHINA 5-YEAR TREASURY BOND ETF
(A SUB-FUND OF CSOP ETF SERIES II)

CONDENSED STATEMENT OF CASH FLOWS
For the period ended 30 June 2018

	Period from 1 January 2018 to 30 June 2018 (Unaudited) *RMB*	Period from 1 January 2017 to 30 June 2017 (Unaudited) *RMB*
OPERATING ACTIVITIES		
Payments for purchase of investments	(120,185,989)	(1,119,976,775)
Proceeds from sale of investments	640,106,902	413,203,345
Interest on bank deposits received	29,018	9,347
Interest on bonds received	10,054,100	1,990,754
Other income received	3,320	214,863
Management fee paid	(785,583)	(657,923)
Taxation paid	(2,044)	(1,606)
Other operating expenses paid	(96,204)	(396,571)
Net cash generated from/(used in) operating activities	529,123,520	(705,614,566)
FINANCING ACTIVITIES		
Proceeds on issue of units	49,419,714	728,526,000
Payments on redemption of units	(575,646,390)	(13,719,143)
Dividend distribution paid	(3,420,000)	(4,590,000)
Net cash (used in)/generated from financing activities	(529,646,676)	710,216,857
Net (decrease)/increase in cash and cash equivalents	(523,156)	4,602,291
Cash and cash equivalents at the beginning of the period	10,956,895	5,280,579
Cash and cash equivalents at the end of the period	10,433,739	9,882,870
Analysis of balances of cash and cash equivalents		
Bank balances	10,433,739	9,882,870

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP ETF Series II (the "Trust") is an umbrella unit trust governed by its trust deed dated 20 January 2014, as amended, (the "Trust Deed") and authorised by the Securities and Futures Commission of Hong Kong (the "SFC") pursuant to Section 104(1) of the Securities and Futures Ordinance. The terms of the Trust Deed are governed by the laws of Hong Kong. As at 30 June 2018, the Trust has three sub-funds which are CSOP China 5-Year Treasury Bond ETF (the "Sub-Fund"), CSOP China Ultra Short-Term Bond ETF and CSOP WTI Oil Annual Roll December Futures ER ETF. The date of inception of the Sub-Fund was 17 February 2014. The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited.

The manager and the trustee of the Sub-Fund are CSOP Asset Management Limited (the "Manager") and HSBC Institutional Trust Services (Asia) Limited (the "Trustee") respectively.

The investment objective of the Sub-Fund is to provide investment results that, before of fees and expenses, closely correspond to the performance of the underlying index, namely, ChinaBond 5-year Treasury Bond Index. In order to achieve the investment objective of the Sub-Fund, the Manager will adopt a representative sampling strategy. A representative sampling strategy involves investing in a representative sample of securities that collectively has an investment profile that reflects the profile of the index.

Under current regulations in the People's Republic of China ("PRC"), foreign investors can invest only in the domestic debt securities market through certain qualified foreign institutional investors that have obtained status as a Qualified Foreign Institutional Investor ("QFII") or a Renminbi Qualified Foreign Institutional Investor ("RQFII") from the China Securities Regulatory Commission ("CSRC") and have been granted quota(s) by the State Administration of Foreign Exchange ("SAFE") of the PRC to remit foreign freely convertible currencies (in the case of a QFII) and Chinese Renminbi ("RMB") (in the case of a RQFII) into the PRC for the purpose of investing in the PRC's domestic debt securities markets.

The Sub-Fund obtains exposure to debt securities issued within the PRC through the RQFII quotas of the Manager. The Manager has obtained RQFII status in the PRC and the RQFII quotas have been granted, on behalf of the Sub-Fund. To the extent that the Manager has, on behalf of the Sub-Fund, utilised its entire RQFII quota, the Manager may, subject to any applicable regulations, apply for an increase of the RQFII quota. On the other hand, the Manager actively manages the RQFII quota obtained and may impose limits on creation applications as it considers appropriate.

These condensed financial statements are prepared for the Sub-Fund only. The condensed financial statements for the other two sub-funds of the Trust have been prepared separately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

These condensed semi-annual financial statements for the six months ended 30 June 2018 have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". The condensed semi-annual financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The preparation of condensed financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Trustee and the Manager (together the "Management") to exercise their judgment in the process of applying the Sub-Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Condensed financial statements are disclosed in Note 3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2017, as described in the annual financial statements.

Standard and amendments to existing standards effective 1 January 2018

IFRS 9 'Financial Instruments' addresses the classification, measurement and derecognition of financial assets and liabilities. It replaces the multiple classification and measurement models in IAS 39 and is effective for reporting periods beginning on or after 1 January 2018.

Classification and measurement of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

On adoption of IFRS 9 the Sub-Fund's investment portfolio will continue to be classified as fair value through profit or loss. Other financial assets which are held for collection will continue to be measured at amortised cost with no material impact expected from application of the new impairment model. As a result, the adoption of IFRS 9 is not expected to have a material impact on the Sub-Fund's financial statements.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2018 that have a material effect on the financial statements of the Sub-Fund.

New standard and amendments to standards effective after 1 January 2018 that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Fund.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

PRC tax provision

In preparing these condensed financial statements, the Manager has made certain assumptions and used various estimates concerning the tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

Withholding Income Tax ("WIT")

Under the general tax provision of PRC Corporate Income Tax Law ("PRC CIT Law"), the non-PRC residents with no place of effective management, establishment or place of business in the PRC may be subject to 10% PRC WIT on the PRC-sourced income, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties.

In addition, the non-PRC residents with interest income derived from the debt securities will be subject to 10% withholding interest income tax. Pursuant to the PRC CIT Law, debt securities issuers in PRC are obligated to withhold the 10% interest income tax for those foreign debt securities holders who are subject to the interest income tax in the PRC. However, interest income derived from government bonds issued by the State Council's finance departments and/or local government bonds approved by the State Council is exempt from PRC WIT under the PRC CIT Law.

Value Added Tax ("VAT") and surtaxes

Furthermore, according to the notice Caishui [2016] 36 ("Circular 36"), VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities starting from 1 May 2016. The gains derived by QFIIs and RQFIIs from trading of marketable securities (including PRC debt securities) are exempted from VAT in the PRC under Circular 36. In addition, deposit interest income and interest received from government bonds and local government bonds are also exempt from VAT. However, the prevailing VAT regulations do not specifically exempt VAT on interest received by QFIIs and RQFIIs. Hence, interest income derived by QFIIs and RQFIIs from non-government bonds (including corporate bonds) technically should be subject to 6% VAT. In addition, urban maintenance and construction tax (currently at the rate ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) are imposed based on the VAT liabilities (the "VAT related taxes").

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

PRC tax provision (Continued)

(a) Capital gains on PRC debt securities

During the period/year ended 30 June 2018 and 2017, the Sub-Fund invests in PRC debt securities in PRC through the RQFII program. The Manager considers that the enforcement of PRC WIT on gains derived from the PRC debt securities is uncertain as at the date of approval of these financial statements and has exercised its judgment when assessing whether the Sub-Fund may be liable for PRC taxation on its gains, the amount of potential liability and the probability of such tax being levied up to the reporting date. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events.

The Manager considered that the WIT policy for QFIIs/RQFII's investment in debt securities has not been clarified in the "Notice on temporary exemption of Corporate Income Tax on capital gains derived from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII" (the "Notice"). On 1 April 2015, the Third Branch of Shanghai Municipal Office, SAT (the "Authority") and the Third Branch of Shanghai Bureau of Local Taxation jointly issued the Notice on Tax Issues to notify that the QFII/RQFII shall declare and handle with the tax-related issues concerning the gains from transfer of equity investment assets, including A-Shares, realised prior to 17 November 2014 to the Authority before 30 September 2015 in accordance with the relevant PRC tax law and the Notice (the "Tax Reporting"). Those QFII/RQFII's eligible for treaty relief under an applicable tax treaty should follow the requirement of Circular 124 for tax treaty application.

The Manager considers that the Tax Reporting is related to the equity investment assets, including A-Shares and given the Sub-Fund invests in debt securities since its inception on 17 February 2014, the Sub-Fund has not made the Tax Reporting up to the approval date of the financial statements.

Based on the current verbal interpretation of the SAT and the local PRC tax authorities, the authorities are of the view that capital gains derived by foreign investors from investment in PRC debt securities would not be treated as PRC sourced income and thus would not be subject to PRC WIT. However, there are no written tax regulations issued by the PRC tax authorities to confirm this interpretation. As a matter of practice, such 10% PRC WIT on capital gains realised by non-PRC tax resident enterprises from the trading of these debt securities has not been enforced by the PRC tax authorities. Based on the aforementioned verbal interpretation and enforcement practice by the PRC tax authorities, the Manager has reassessed the provisioning approach and has continued not making PRC WIT provision on gains derived from the PRC debt securities of the Sub-Fund.

The Manager estimates the gross realised gains from 17 February 2014 (date of inception) to 30 June 2018 and gross unrealised gains of the Sub-Fund as at 30 June 2018 which could be exposed to PRC taxation at the rate of 10% to be RMB223,421,449 (from 17 February 2014 (date of inception) to 31 December 2017: RMB223,319,209) and RMB2,555,287 (As at 31 December 2017: RMB115,480).The estimated potential capital gain tax exposure arisen from realised capital gain and unrealised capital gain would be RMB22,342,145 and RMB255,529 respectively which in aggregate represents 13.66% (As at 31 December 2017: RMB22,331,921 and RMB11,548 respectively which in aggregate represents 3.24%) of the net assets attributable to unitholders of the Sub-Fund as at 30 June 2018 .

The Manager considers that the PRC WIT on capital gains from debt securities is still uncertain and has not made the provision on the gross realised capital gains derived from the debt securities in the Sub-Fund as at 30 June 2018 and 31 December 2017.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

PRC tax provision (Continued)

(a) Capital gains on PRC debt securities (Continued)

The Manager considers that the WIT provision amount (currently nil) for gross realised capital gains derived by the Sub-Fund from trading of PRC debt securities may differ significantly from the amounts that may have to be ultimately borne by the Sub-Fund. In the event a WIT is levied on gross capital gains derived from the disposal of PRC debt securities at an amount that is different from what was provided by the Sub-Fund, the Sub-Fund may incur a liability that is different from the existing tax provision, which could be significantly impact the net assets attributable to unitholders of redeemable units and consequently, the price per unit of the Sub-Fund based on the calculation of the net assets attributable to unitholders of redeemable units when distributing to the unitholders of redeemable units at such relevant time.

(b) Interest income on debt securities in PRC

The Management considers that the enforcement of PRC withholding tax, VAT and the VAT related taxes arising from debt securities is uncertain as at the date of approval of these financial statements. The Manager has exercised significant judgment in their assessment of the PRC withholding tax expense and the related tax provision.

<u>PRC withholding tax on accrued interest</u>

For the debt securities disposed of during the period ended 30 June 2018 and year ended 31 December 2017, Management has not made provision on the accrued interest income of debt securities during the period and as at reporting date as they consider that:

(i) the issuers of debt securities are required to withhold 10% interest income tax at the coupon payment date before distributing the interest income to the bond holder; and

(ii) the Manager has sold the debt securities before the coupon payment dates or the maturity dates of the debt securities.

<u>VAT, urban maintenance and construction tax and educational surcharge</u>

As at 30 June 2018 and 31 December 2017, the Manager does not consider that the potential VAT and surtaxes exposure arising from the Sub-fund’s accumulated interest income received from PRC non-government bonds since 1 May 2016 to be material.

The Manager reviews the relevant PRC tax rules on the PRC debt securities from time to time. Any change in taxation imposed on RQFIIs is likely to have a subsequent impact on the required provision and accordingly the net assets attributable to unitholders of the Sub-Fund. When the SAT issues clarifications, this might ultimately result in either an increase or a decrease in the amount provided. The Manager will always act in the best interest of unitholders and will continually assess the tax provision on an on-going basis.

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

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

In accordance with the provisions of the Trust Deed dated 20 January 2014, as amended, and the Prospectus of the Sub-Fund, investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations.

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

The movements of the redeemable units are as follows:

	Period from 1 January 2018 to 30 June 2018 (Unaudited) Units	Period from 1 January 2017 to 30 June 2017 (Unaudited) Units
Number of units in issue at the beginning of the period	6,790,000	2,600,000
Units issued	480,000	7,020,000
Units redeemed	(5,670,000)	(130,000)
Number of units in issue at the end of the period	1,600,000	9,490,000

Establishment costs are expensed as incurred. However, in accordance with the provisions of the Trust's Prospectus, establishment costs are recognised using the amortisation method. As at 30 June 2018 and 31 December 2017, the expensing of establishment costs as stated in the financial statements resulted in a decrease of net assets attributable to unitholders of RMB367,749 (31 December 2017: RMB601,836) when compared with the methodology indicated in the Trust's Prospectus.

	As at 30 June 2018 (Unaudited) *RMB*	As at 31 December 2017 (Audited) *RMB*
Net assets attributable to unitholders as reported in the statement of financial position	165,370,409	690,524,989
Adjustments for unamortised establishment costs	367,749	601,836
Net asset value in accordance with the Trust's Prospectus	165,738,158	691,126,825
Net assets attributable to unitholders per unit (per statement of financial position)	103.3565	101.6973
Net assets attributable to unitholders per unit (at dealing net asset value)	103.5863	101.7860

5. NET (LOSS)/GAIN ON INVESTMENTS

	Period from 1 January 2018 to 30 June 2018 (Unaudited) *RMB*	Period from 1 January 2017 to 30 June 2017 (Unaudited) *RMB*
Net fair value change in unrealised gain/loss in value of investments	9,409,966	(3,301,517)
Net realized loss on sale of investments	(7,318,073)	(6,712,013)
	2,091,893	(10,013,530)

6. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Fund as it was authorised as collective investment schemes under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

PRC withholding income tax

For the period ended 30 June 2018 and 2017, the Sub-Fund had invested in RMB denominated debt securities in PRC. Refer to Note 3 for details.

The taxation of the Sub-Fund represents:

	Period from 1 January 2018 to 30 June 2018 (Unaudited) *RMB*	Period from 1 January 2017 to 30 June 2017 (Unaudited) *RMB*
Withholding income tax on bank interest income	2,044	1,606
Taxation	2,044	1,606

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

The following is a summary of significant related party transactions/transactions entered into during the period between the Sub-Fund and the Trustee, the Manager and the Connected Persons of the Manager. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the “SFC Code”). All transactions entered into during the period between the Sub-Fund and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager’s knowledge, the Sub-Fund does not have any other transactions with the Connected Persons of the Manager except for those disclosed below.

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

(a) Management fee

The Sub-Fund employs a single management fee structure, with the Sub-Fund paying all of its fees, costs and expense to the Manager. The management fee is currently charged at the rate of 0.49% per annum of the net asset value of the Sub-Fund, accrued daily and calculated as at each dealing day and payable monthly in arrears.

Fees and expenses taken into account in determining the Sub-Fund's management fee include, but are not limited to, the manager's fee, the trustee's fee, the custodian's fee, the PRC custodian's fee, the registrar's fee, the service agent's fee, the fees and expenses of the auditor, service agents, ordinary legal and out-of-pocket expenses incurred by the Trustee or the Manager, and the costs and expenses of licensing indices used in connection with the Sub-Fund. The Manager may also pay a distribution fee to any distributor or sub-distributor of the Sub-Fund out of the management fee. A distributor may re-allocate an amount of the distribution fee to the sub-distributors.

(b) Trustee fee and Registrar's fee

The Trustee fee and Registrar's fee are included in the management fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

(c) Financial assets

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

	As at 30 June 2018 (Unaudited) *RMB*	As at 31 December 2017 (Audited) *RMB*
Investments		
HSBC Bank (China) Company Limited	152,562,390	670,391,410
Bank balances		
The Hongkong and Shanghai Banking Corporation Limited	5,488,675	214,262
HSBC Bank (China) Company Limited	4,945,064	10,742,633
	10,433,739	10,956,895

Interest income amounted to RMB29,253 (2017: RMB16,334) was earned on these bank balances for the period 30 June 2018.

8. FINANCIAL RISK MANAGEMENT

The objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the ChinaBond 5-year Treasury Bond Index. The Sub-Fund's activities may expose it to a variety of risks including but not limited to: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

8. FINANCIAL RISK MANAGEMENT (Continued)

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

(a) Market risk

(i) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Fund is designated to track the performance of the ChinaBond 5-year Treasury Bond Index, therefore the exposures to market risk in the Sub-Fund will be substantially the same as the tracked index. The Manager manages the Sub-Fund's exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight, are closely aligned with the characteristics of the tracked index.

As at 30 June 2018 and 31 December 2017, the Sub-Fund's investments were concentrated in the PRC bonds:

	30 June 2018 (Unaudited)		31 December 2017 (Audited)	
	Fair value *RMB*	% of net asset value	Fair value *RMB*	% of net asset value
PRC government bonds	122,369,420	74.00	601,666,220	87.13
Policy banks bonds	30,192,970	18.26	68,725,190	9.95
	152,562,390	92.26	670,391,410	97.08

The Sub-Fund adopts representative sampling strategy and it held 5 out of 49 (31 December 2017: 5 out of 69) constituent investments comprising the ChinaBond 5-year Treasury Bond Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the ChinaBond 5-year Treasury Bond Index.

<u>Sensitivity analysis in the event of a possible change in the index by 10% as estimated by the Manager</u>

As at 30 June 2018, if the ChinaBond 5-year Treasury Bond Index were to increase by 10% (31 December 2017: 10%) with all other variables held constant, this would increase the operating profit for the period/year by approximately RMB102,752 (31 December 2017: RMB1,921,291). Conversely, if the ChinaBond 5-year Treasury Bond Index were to decrease by 10% (31 December 2017: 10%), this would decrease the operating profit for the period/year by an equal amount.

(ii) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow.

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

As at 30 June 2018 and 31 December 2017, the Sub-Fund invests in fixed-income securities, the Sub-Fund is subject to interest rate risk. Interest rate risk is the risk that the value of the Sub-Fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term fixed income investments and higher for longer term fixed income investments.

As the Sub-Fund invests in PRC bonds, the Sub-Fund is additionally subject to policy risk as changes in macro-economic policies in the PRC (including monetary policy and fiscal policy) may have an influence over the PRC's capital markets and affect the pricing of the bonds in the Sub-Fund's portfolio, which may in turn adversely affect the return of the Sub-Fund. Falling market interest rates can lead to a decline in income for the Sub-Fund.

The table below summarises the Sub-Fund's exposure to interest rate risks. It includes the Sub-Fund's assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 30 June 2018

	Maturity Up to 1 year *RMB*	Maturity 1-5 years *RMB*	Maturity Over 5 years *RMB*	Non-interest bearing *RMB*	Total *RMB*
Assets					
Investments		81,416,320	71,146,070		152,562,390
Other assets				2,748,337	2,748,337
Bank balances	10,433,739				10,433,739
Total assets	10,433,739	81,416,320	71,146,070	2,748,337	165,744,466
Liabilities					
Other liabilities				374,057	374,057
Total liabilities				374,057	374,057
Total interest sensitivity gap	10,433,739	81,416,320	71,146,070		

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

As at 31 December 2017

	Maturity Up to 1 year *RMB*	Maturity 1-5 years *RMB*	Maturity Over 5 years *RMB*	Non-interest bearing *RMB*	Total *RMB*
Assets					
Investments	-	414,376,690	256,014,720	-	670,391,410
Other assets	-	-	-	9,804,511	9,804,511
Bank balances	10,956,895	-	-	-	10,956,895
Total assets	10,956,895	414,376,690	256,014,720	9,804,511	691,152,816
Liabilities					
Other liabilities	-	-	-	627,827	627,827
Total liabilities	-	-	-	627,827	627,827
Total interest sensitivity gap	10,956,895	414,376,690	256,014,720		

At 30 June 2018, the Sub-Fund has bank balances of RMB10,433,739 (31 December 2017: RMB 10,956,895). If the interest rates had been 10 basis points (31 December 2017: 10 basis points) higher or lower with all variables held constant, net assets attributable to unitholders would have been RMB10,434 (31 December 2017: RMB10,957) higher or lower as a result of higher or lower interest income.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries. As at 30 June 2018, the Sub-Fund has invested in interest-bearing securities of RMB152,562,390 (31 December 2017: RMB670,391,410) and the portfolio weighted average modified duration of the Sub-Fund is 4.16 (31 December 2017: 4.58).

As at 30 June 2018, should the relevant interest rates have lowered/risen by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the period would amount to approximately RMB6,346,595 (31 December 2017: RMB 30,680,056), arising substantially from the increase/decrease in market values of debt securities.

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-Fund is not exposed to currency risk arising from balances and transactions in foreign currencies as the majority of its assets and liabilities are denominated in RMB, the Sub-Fund’s functional and presentation currency. As a result, Management considers sensitivity analysis of currency risk is not necessary to be presented.

8. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund.

The Sub-Fund limits its exposure to credit and counterparty risk by carrying out the majority of its investment transactions and contractual commitment activities with well-established broker-dealers, banks and regulated exchanges with high credit ratings.

All transactions in PRC bonds are settled or paid for upon delivery using approved and reputable brokers. In addition, the Sub-Fund places bank balances with reputable financial institutions. As such, the Manager does not consider the Sub-Fund to be exposed to significant credit and counterparty risk.

The main concentration to which the Sub-Fund is exposed arises from the Sub-Fund's investments in bond securities. The Sub-Fund does not have explicit restrictions on the minimum credit ratings of securities it may hold. The Manager will actively manage the portfolio of the Sub-Fund. In case of credit rating downgrading, the Manager will adjust the positions in the portfolio using its credit analysis and rating systems that are designed to manage credit risks.

The table below summarises the credit rating of the investment portfolio issued by credit rating agencies:

Portfolio by rating category of RMB denominated bonds:

As at 30 June 2018

Credit rating agency	Rating	RMB	% of NAV
S&P	A+	152,562,390	92.26
		152,562,390	92.26

As at 31 December 2017

Credit rating agency	Rating	RMB	% of NAV
S&P	A+	670,391,410	97.08
		670,391,410	97.08

The Manager has assessed the credit quality of the RMB denominated bonds based on the nature of the issuers and the historical information about the issuers' default rates. The Sub-Fund is also exposed to credit and counterparty risk on its investments and bank balances.

8. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

The table below summarises the amount of investments and bank balances of the Sub-Fund placed with the counterparties together with the credit rating of the relevant counterparties as at 30 June 2018 and 31 December 2017.

As at 30 June 2018	RMB	Credit rating	Source of credit rating
Investments			
HSBC Bank (China) Company Limited ("HSBC China")	152,562,390	A1	Moody's
Bank balances			
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	5,488,675	A	S&P
HSBC Bank (China) Company Limited ("HSBC China")	4,945,064	A1	Moody's

As at 31 December 2017	RMB	Credit rating	Source of credit Rating
Investments			
HSBC Bank (China) Company Limited ("HSBC China")	670,391,410	A1	Moody's
Bank balances			
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	214,262	A	S&P
HSBC Bank (China) Company Limited ("HSBC China")	10,742,633	A1	Moody

The maximum exposure to credit risk as at 30 June 2018 and 31 December 2017 is the carrying amount of the financial assets as shown on the condensed statement of financial position.

The Manager considers that none of these assets are impaired nor past due as at 30 June 2018 and 31 December 2017.

(c) Liquidity risk

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

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

8. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

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

	Less than 1 month *RMB*	1 month to less than 3 months *RMB*	Over 3 months *RMB*	Total *RMB*
As at 30 June 2018				
Management fee payable	18,997	-	-	18,997
Other accounts payable	-	355,060	-	355,060
Contractual cash outflow	18,997	355,060	-	374,057

	Less than 1 month *RMB*	1 month to less than 3 months *RMB*	Over 3 months *RMB*	Total *RMB*
As at 31 December 2017				
Management fee payable	336,337	-	-	336,337
Other accounts payable	-	291,490	-	291,490
Contractual cash outflow	336,337	291,490	-	627,827

Units are redeemed on demand at the unitholder's option. As at 30 June 2018, there were 2 (31 December 2017: 2) unitholders holding more than 10% of the Sub-Fund's units.

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month *RMB*	1 to 12 months *RMB*	No stated maturity *RMB*	Total *RMB*
As at 30 June 2018				
Total assets	165,744,466	-	-	165,744,466

8. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

	Less than 1 month *RMB*	1 to 12 months *RMB*	No stated maturity *RMB*	Total *RMB*
As at 31 December 2017				
Total assets	691,152,816	-	-	691,152,816

(d) Fair value estimation

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

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

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

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

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets (by class) measured at fair value at 30 June 2018 and 31 December 2017:

	Level 1 *RMB*	Level 2 *RMB*	Level 3 *RMB*	Total *RMB*
As at 30 June 2018				
Assets				
Investments				
- Debt securities		152,562,390		152,562,390
Total assets		152,562,390		152,562,390

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

	Level 1 *RMB*	Level 2 *RMB*	Level 3 *RMB*	Total *RMB*
As at 31 December 2017				
Assets				
Investments				
- Debt securities	-	670,391,410	-	670,391,410
Total assets	-	670,391,410	-	670,391,410

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Sub-Fund does not adjust the quoted price for these instruments. As at 30 June 2018 and 31 December 2017, the Sub-Fund did not hold any investments classified in level 1.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2, include PRC government bonds and policy banks bonds.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 30 June 2018 and 31 December 2017, the Sub-Fund did not hold any investments classified in level 3.

During the period/year ended 30 June 2018 and 31 December 2017, there were no transfers between levels.

The assets and liabilities included in the condensed statement of financial position, other than investments, are carried at amortised cost; their carrying value are approximation of fair value. There are no other assets and liabilities not carried at fair value but for which fair value is disclosed.

(e) Capital risk management

The Sub-Fund’s capital is represented by the redeemable units outstanding. The Sub-Fund’s objective is to provide investment results that correspond generally to the performance of the respective index. The Manager may:

- Redeem and issue new units on a daily basis in accordance with the constitutive documents of the Sub-Fund;
- Exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders; and
- Suspend the creation and redemption of units under certain circumstance as currently disclosed in the Prospectus of the Sub-Fund.

9. DISTRIBUTION

	Period from 1 January 2018 to 30 June 2018 (Unaudited) *RMB*	Period from 1 January 2017 to 30 June 2017 (Unaudited) *RMB*
RMB0.90 on 2,620,000 units on ex-dividend date 26 January 2018 paid on 1 February 2018	2,358,000	-
RMB0.90 on 1,180,000 units on ex-dividend date 25 April 2018 paid on 2 May 2018	1,062,000	-
RMB0.90 on 2,600,000 units on ex-dividend date 24 January 2017 paid on 3 February 2017	-	2,340,000
RMB0.90 on 2,500,000 units on ex-dividend date 20 April 2017 paid on 26 April 2017	-	2,250,000
Total distributions	3,420,000	4,590,000

10. FINANCIAL INSTRUMENTS BY CATEGORY

As of 30 June 2018 and 31 December 2017, other than investments as disclosed in the financial statements which are classified as the financial assets at fair value through profit or loss, all financial assets including interest receivable and bank balances are categorised as loans and receivables and carried at amortised costs. All the financial liabilities of the Sub-Fund are carried at amortised cost.

The carrying value of the financial assets and liabilities are considered by the Manager to approximate their fair value as they are short term in nature and the effect of discounting is immaterial.

11. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

Pursuant to the SFC's Guidelines for Regulating Index Tracking Exchange Traded Funds (the "ETF Guidelines"), it allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net asset value provided that the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the Index and the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the Index (except as a result of changes in the composition of the Index and the excess is transitional and temporary in nature).

The Manager and the Trustee have confirmed that the Sub-Fund has complied with this limit during the period ended 30 June 2018 and year ended 31 December 2017.

There were 6 (31 December 2017: 4) constituent securities that individually accounted for more than 10%, but less than 30% of the net asset value of the Sub-Fund and their respective weightings of the ChinaBond 5-year Treasury Bond Index (the "Index") as at 30 June 2018 and 31 December 2017 are shown below.

As at 30 June 2018	Respective weighting in Index (%)	% of NAV
ChinaBond 5-year Treasury Bond Index		
CHINA DEVELOPMENT BANK (SER 1790) 4.14% 11/09/2020	0.00%	12.12%
CHINA GOVERNMENT BOND (SER 1721) 3.73% 19/10/2022	4.38%	18.51%
CHINA GOVERNMENT BOND (SER 1727) 3.90% 21/12/2024	3.05%	12.39%
CHINA GOVERNMENT BOND (SER 1801) 3.81% 18/01/2023	2.95%	12.46%
CHINA GOVERNMENT BOND (SER 1805) 3.77% 08/03/2025	4.82%	18.45%
CHINA GOVERNMENT BOND (SER 1813) 3.61% 07/06/2025	1.99%	12.19%

As at 31 December 2017	Respective weighting in Index (%)	% of NAV
ChinaBond 5-year Treasury Bond Index		
CHINA GOVERNMENT BOND (SER 1713) 3.57% 22/06/2024	4.39%	18.48%
CHINA GOVERNMENT BOND (SER 1714) 3.47% 13/07/2022	4.30%	18.50%
CHINA GOVERNMENT BOND (SER 1720) 3.69% 21/09/2024	4.46%	18.60%
CHINA GOVERNMENT BOND (SER 1721) 3.73% 19/10/2022	3.92%	25.94%

For the period ended 30 June 2018, the ChinaBond 5-year Treasury Bond Index increased by 4.06% (31 December 2017: decreased by 1.01%) while the net asset value per unit of Sub-Fund increased by 1.63% (31 December 2017: decreased by 5.23%). For the period ended 30 June 2018, the Sub-Fund paid dividend of RMB1.80 (31 December 2017: RMB3.60) per unit, which represents 1.74 % (31 December 2017: 3.54%) to the net asset value per unit as at 30 June 2018. For the details of dividend distribution, refer to Note 9.

12. SOFT COMMISSION ARRANGEMENT

The Manager confirms that there have been no soft commission arrangements existing during the period in relation to directing transactions of the Sub-Fund through a broker or dealer.

13. SEGMENT INFORMATION

The Manager makes the strategic resource allocations on behalf of the Sub-Fund and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that the Sub-Fund has a single operating segment which is investing in fixed income investments. The objectives of the Sub-Fund are to track the performance of the ChinaBond 5-year Treasury Bond Index and invest in substantially the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

The internal condensed financial information used by the Manager for the Sub-Fund’s assets, liabilities and performance is the same as that disclosed in the condensed statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund’s income is derived from investments in PRC bonds including PRC Treasury Bonds which constitute ChinaBond 5-year Treasury Bond Index, the tracked index.

The Sub-Fund has no assets classified as non-current assets. As at 30 June 2018, the Sub-Fund has a diversified portfolio of investments and six (31 December 2017: four) investment accounts for more than 10% of the Sub-Fund’s net asset value.

CSOP CHINA 5-YEAR TREASURY BOND ETF
(A SUB-FUND OF CSOP ETF SERIES II)

INVESTMENT PORTFOLIO (Unaudited)
As at 30 June 2018

	Holdings	Fair value RMB	% of net assets
Investments (92.26%)			
Unlisted Bonds (92.26%)			
China (92.26%)			
CHINA DEVELOPMENT BANK (SER 1803) 4.62% 09/03/2021	10,000,000	10,151,110	6.14
CHINA DEVELOPMENT BANK (SER 1790) 4.14% 11/09/2020	20,000,000	20,041,860	12.12
CHINA GOVERNMENT BOND (SER 1813) 3.61% 07/06/2025	20,000,000	20,150,840	12.19
CHINA GOVERNMENT BOND (SER 1727) 3.90% 21/12/2024	20,000,000	20,488,500	12.39
CHINA GOVERNMENT BOND (SER 1801) 3.81% 18/01/2023	20,000,000	20,607,840	12.46
CHINA GOVERNMENT BOND (SER 1805) 3.77% 08/03/2025	30,000,000	30,506,730	18.45
CHINA GOVERNMENT BOND (SER 1721) 3.73% 19/10/2022	30,000,000	30,615,510	18.51
Total investments		152,562,390	92.26
Other net assets		12,808,019	7.74
Net assets attributable to unitholders at 30 June 2018		165,370,409	100.00
Total investments, at cost		150,101,210	

CSOP CHINA 5-YEAR TREASURY BOND ETF
(A SUB-FUND OF CSOP ETF SERIES II)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)
For the period from 1 January 2018 to 30 June 2018

	Holdings				
	1 January 2018	**Additions**	**Corporate actions**	**Disposals**	**30 June 2018**
Investments					
Unlisted Bonds					
CHINA DEVELOPMENT BANK (SER 1705) 3.88% 19/04/2020	50,000,000	-	-	50,000,000	-
CHINA DEVELOPMENT BANK (SER 1790) 4.14% 11/09/2020	20,000,000	-	-	-	20,000,000
CHINA DEVELOPMENT BANK (SER 1803) 4.62% 09/03/2021	-	10,000,000	-	-	10,000,000
CHINA GOVERNMENT BOND (SER 1707) 3.13% 13/04/2022	40,000,000	-	-	40,000,000	-
CHINA GOVERNMENT BOND (SER 1713) 3.57% 22/06/2024	130,000,000	-	-	130,000,000	-
CHINA GOVERNMENT BOND (SER 1714) 3.47% 13/07/2022	130,000,000	-	-	130,000,000	-
CHINA GOVERNMENT BOND (SER 1720) 3.69% 21/09/2024	130,000,000	-	-	130,000,000	-
CHINA GOVERNMENT BOND (SER 1721) 3.73% 19/10/2022	180,000,000	-	-	150,000,000	30,000,000
CHINA GOVERNMENT BOND (SER 1727) 3.90% 21/12/2024	-	40,000,000	-	20,000,000	20,000,000
CHINA GOVERNMENT BOND (SER 1801) 3.81% 18/01/2023	-	20,000,000	-	-	20,000,000
CHINA GOVERNMENT BOND (SER 1805) 3.77% 08/03/2025	-	30,000,000	-	-	30,000,000
CHINA GOVERNMENT BOND (SER 1813) 3.61% 07/06/2025	-	20,000,000	-	-	20,000,000

PERFORMANCE RECORD (Unaudited)

Net asset value

	Dealing net asset value of the Sub-Fund *RMB*	Dealing net asset value per unit RMB
At the end of financial period/year dated		
30 June 2018	165,738,158	103.5863
31 December 2017	691,126,825	101.7860
31 December 2016	280,086,292	107.7255

Highest and lowest net asset value per unit

	Highest net asset value per unit *RMB*	Lowest net asset value per unit RMB
Financial period/year ended		
30 June 2018	103.9321	101.0469
31 December 2017	107.6129	100.9339
31 December 2016	111.0418	106.0150
31 December 2015	110.8911	106.9168
31 December 2014 (since 17 February 2014 (date of inception)	107.8918	102.4495*

*Pursuant to the Change of the Trading Board Lot Size and Unit Consolidation Announcement dated 1 August 2014, effective from 1 September 2014, the Management has determined that each of the existing five units in the Sub-Fund be consolidated into one unit. The net assets value per unit disclosed was adjusted to reflect the units consolidation.

CSOP CHINA 5-YEAR TREASURY BOND ETF
(A SUB-FUND OF CSOP ETF SERIES II)

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