



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

CSOP FTSE CHINA A50 ETF
Stock Codes: 82822 (RMB counter) and 02822 (HKD counter)
(A sub-fund of CSOP ETF Series)

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

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

CONTENTS

| | Page |
|--|-------------|
| Report of the Manager to the Unitholders | 1 - 2 |
| Condensed Statement of Financial Position | 3 |
| Condensed Statement of Comprehensive Income | 4 |
| Condensed Statement of Changes in Net Assets Attributable to Unitholders | 5 |
| Condensed Statement of Cash Flows | 6 |
| Notes to the Unaudited Condensed Financial Statements | 7 - 19 |
| Investment Portfolio (Unaudited) | 20 - 21 |
| Statement of Movements in Investment Portfolio (Unaudited) | 22 - 25 |
| Performance Record (Unaudited) | 26 |
| Management and Administration | 27 |

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

REPORT OF THE MANAGER TO THE UNITHOLDERS

The CSOP FTSE China A50 ETF (the “CSOP A50 ETF” or the “Sub-Fund”), a sub-fund of the CSOP ETF Series, is a unit trust authorised under the Securities and Futures Ordinance (Cap. 571) of Hong Kong. It was launched on 23 August 2012 and commenced trading in RMB under the stock code 82822 on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 28 August 2012; following the SEHK’s dual counter model, the CSOP A50 ETF started trading in HKD under the stock code 02822 on the SEHK on 8 November 2012. The CSOP A50 ETF is benchmarked against the FTSE China A50 Index (the “A50 Index”) and adopts the full-replication strategy. The manager and RQFII Holder of the CSOP A50 ETF is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The CSOP A50 ETF is a physical ETF which invests directly in the A50 Index securities through the RQFII quotas of the Manager, Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. Under current regulations in the People’s Republic of China (“PRC”), foreign investors can invest in the domestic securities market through certain qualified foreign institutional investors that have obtained status as a QFII or a RQFII from the China Securities Regulatory Commission (“CSRC”) and have been granted quota(s) by the State Administration of Foreign Exchange (“SAFE”) to remit foreign freely convertible currencies (in the case of a QFII) and RMB (in the case of a RQFII) into the PRC for the purpose of investing in the PRC’s domestic securities markets. Meanwhile, from November 17, 2014, foreign investors can trade eligible stocks listed in Shanghai Stock Exchange through Shanghai-Hong Kong Stock Connect. And from December 5, 2016, foreign investors can trade eligible stocks listed in Shenzhen Stock Exchange through Shenzhen-Hong Kong Stock Connect. The Manager has obtained RQFII status and the total RQFII quotas obtained by the Manager amount to RMB 46.1 billion as of 30 June 2018. The Manager also traded A shares listed in Shanghai Stock Exchange through Shanghai-Hong Kong Stock Connect.

The FTSE China A50 Index (the “Index”) is compiled and published by FTSE International Limited. It comprises the top 50 A-Share companies from both the Shanghai and Shenzhen markets by market capitalisation. The Index operates under clearly defined rules published by the index provider and is a tradable index.

Capital Gains Tax (“CGT”) Treatment

Rules governing taxes on capital gains derived by QFIIs or RQFIIs from the trading of PRC Securities (including China A-Shares) was announced on 14 November 2014. According to the rules, investors are not required to pay capital gain tax from 17 November 2014. Therefore, the Manager did not make any provision on withholding tax after November 17, 2014.

Change to the type of the Underlying Index

The Sub-Fund has been using FTSE China A50 price return index as its Underlying Index since its inception in August 2012. Price return index does not include the reinvestment of dividends from the constituent securities of the index. Price return index only considers price movements of the constituent securities of the index but the net total return index assumes that dividends paid by the constituent securities of the index, net of any withholding taxes, are reinvested in additional shares of such index’s constituents. As such, an index’s net total return is usually considered to be a more accurate measurement of the actual investment return and performance. Therefore, the type of the Underlying Index of the Sub-Fund has changed from price return index to net total return index with effect from 27 February 2015.

The Manager believes that the change to the type of the Underlying Index would not only reduce the cash dragging but also its tracking error of the Sub-Fund. The Manager considers that the change made to the type of the Sub-Fund’s Underlying Index would not materially prejudice unitholders’ rights or interests and does not anticipate adverse impact to the operation of the Sub-Fund.

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

REPORT OF THE MANAGER TO THE UNITHOLDERS (CONTINUED)

The Sub-Fund Performance

The CSOP A50 ETF seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As of 29 June 2018 (last trading date), the dealing Net Asset Value (“NAV”) per unit of the CSOP A50 ETF was RMB 11.4120 and there were 1,206,500,000 units outstanding. The total asset under management was approximately RMB 13.8 billion.

For the period from 1 January 2018 to 29 June 2018 (last trading date), the FTSE China A50 net total return index decreased by 11.75% while the dealing NAV decreased by 11.25%. The difference in performance between the NAV of the CSOP A50 ETF and the Index is mainly attributed to dividends, fees and expenses including tax on dividends. YTD Net total return of the RMB counter (stock code 82822) was -11.30%.

Exchange Liquidity

Since inception, the CSOP A50 ETF has attracted great investor attention from investors across the globe. The trading value of the RMB counter (stock code: 82822) remained steadily at an average daily turnover of RMB 8.2 million in June 2018. The trading value of the HKD counter (stock code: 02822) remained steadily at an average daily turnover of HKD 646.2 million in June 2018. The Sub-Fund’s high liquidity often placed it in the most actively traded ETFs on the HKEx. The trading volume for the CSOP A50 ETF reflected strong interest in the CSOP A50 ETF.

Portfolio Rebalance

The CSOP A50 ETF adopts full-replication strategy to track the Index. Since inception, the Sub-Fund has experienced sixteen quarterly index rebalances.

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

| | <i>Notes</i> | 30 June 2018 (Unaudited) <i>RMB</i> | 31 December 2017 (Audited) <i>RMB</i> |
|---|--------------|---|---|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Deposit reserve | | 1,383,200 | 1,383,200 |
| CURRENT ASSETS | | | |
| Investments | 7(c),8(a) | 13,628,464,763 | 19,291,794,812 |
| Interest receivable | | 7,849 | 2,443 |
| Amounts due from brokers | | - | 25,600,318 |
| Bank balances | 7(c) | 156,095,510 | 36,602,445 |
| | | <u>13,784,568,122</u> | <u>19,354,000,018</u> |
| Total assets | | <u>13,785,951,322</u> | <u>19,355,383,218</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Amounts due to participating dealers | | - | 25,766,066 |
| Management fee payable | 7(a) | 11,774,732 | 16,673,350 |
| Trustee fee payable | 7(b) | 1,064,002 | 1,462,848 |
| License fee payable | | 3,833,787 | 5,619,358 |
| Other accounts payable | | 1,093,981 | 728,762 |
| | | <u>17,766,502</u> | <u>50,250,384</u> |
| Total Liabilities | | <u>17,766,502</u> | <u>50,250,384</u> |
| EQUITY | | | |
| Net assets attributable to unitholders | 4 | <u>13,768,184,820</u> | <u>19,305,132,834</u> |

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

CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

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 |
|-----------------------------------|--------------|--|--|
| | <i>Notes</i> | | |
| INCOME | | | |
| Dividend income | | 178,737,705 | 176,521,481 |
| Interest income | 7(c) | 275,987 | 130,418 |
| Net (loss)/gain on investments | 5 | (1,826,674,218) | 2,325,480,240 |
| Other income | | 16,563,831 | 6,012,427 |
| | | <hr/> | <hr/> |
| Total net (loss)/income | | (1,631,096,695) | 2,508,144,566 |
| | | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| EXPENSES | | | |
| Management fee | 7(a) | (80,496,659) | (85,790,527) |
| Trustee fee | 7(b) | (7,179,192) | (7,606,979) |
| Transaction costs of investments | | (12,138,235) | (19,522,999) |
| Audit fee | | (375,524) | (324,273) |
| Safe custody and bank charges | | (636,882) | (605,331) |
| License fee | | (8,072,640) | (8,683,425) |
| Other operating expenses | | (231,562) | (571,546) |
| | | <hr/> | <hr/> |
| Total operating expenses | | (109,130,694) | (123,105,080) |
| | | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| Operating (loss)/profit | | (1,740,227,389) | 2,385,039,486 |
| | | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| Taxation | 6 | (17,953,625) | (18,013,837) |
| | | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| Total comprehensive income | | (1,758,181,014) | 2,367,025,649 |
| | | <hr style="border-top: 3px double black;"/> | <hr style="border-top: 3px double black;"/> |

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CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2018

| | Period from 1 January 2018 to 30 June 2018 (Unaudited) <i>RMB</i> | Period from 1 January 2017 to 30 June 2017 (Unaudited) <i>RMB</i> |
|--|---|---|
| Net assets attributable to unitholders at the beginning of the period | 19,305,132,834 | 17,192,094,767 |
| Proceeds on issue of units | 352,275,600 | 3,715,624,150 |
| Payments on redemption of units | (4,131,042,600) | (3,335,520,000) |
| Net (decrease)/increase from unit transactions | (3,778,767,000) | 380,104,150 |
| Total comprehensive income for the period | (1,758,181,014) | 2,367,025,649 |
| Net assets attributable to unitholders at the end of the period | 13,768,184,820 | 19,939,224,566 |

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

CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)

CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2018

| | Period from 1 January 2018 to 30 June 2018 (Unaudited) <i>RMB</i> | Period from 1 January 2017 to 30 June 2017 (Unaudited) <i>RMB</i> |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Payments for purchase of investments | (1,684,671,551) | (7,213,811,693) |
| Proceeds from sale of investments | 5,546,927,700 | 6,874,568,393 |
| Dividend received | 178,737,705 | 176,521,481 |
| Interest received | 270,581 | 123,018 |
| Other income received | 16,563,831 | 6,012,427 |
| Management fee paid | (85,395,277) | (86,139,042) |
| Transaction costs paid | (12,138,235) | (19,522,999) |
| Taxation paid | (17,953,625) | (18,013,837) |
| Other operating expenses paid | (18,314,998) | (19,539,909) |
| | <hr/> | <hr/> |
| Net cash generated from/(used in) operating activities | 3,924,026,131 | (299,802,161) |
| | ----- | ----- |
| FINANCING ACTIVITIES | | |
| Proceeds on issue of units | 352,275,600 | 3,715,624,150 |
| Payments on redemption of units | (4,156,808,666) | (3,211,767,324) |
| | <hr/> | <hr/> |
| Net cash (used in)/generated from financing activities | (3,804,533,066) | 503,856,826 |
| | ----- | ----- |
| Net increase in cash and cash equivalents | 119,493,065 | 204,054,665 |
| Cash and cash equivalents at the beginning of the period | 36,602,445 | 40,277,923 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the period | 156,095,510 | 244,332,588 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Analysis of balances of cash and cash equivalents | | |
| Bank balances | 156,095,510 | 244,332,588 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP ETF Series (the “Trust”) is an umbrella unit trust governed by its trust deed dated 25 July 2012, as amended, (the “Trust Deed”) and authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to Section 104(1) of the Securities and Futures Ordinance. The terms of the Trust Deed are governed by the laws of Hong Kong. As at 30 June 2018, the Trust has six sub-funds which are CSOP FTSE China A50 ETF (the “Sub-Fund”), CSOP CES China A80 ETF, CSOP SZSE ChiNext ETF, CSOP China CSI 300 Smart ETF, CSOP MSCI China A Inclusion Index ETF (Formerly known as CSOP MSCI China A International ETF) and ICBC CSOP S&P New China Sectors ETF. The date of inception of the Sub-Fund was 23 August 2012. The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited. CSOP Asset Management Limited, the manager of the Sub-Fund, applied and obtained approval to list Japan Depository Receipt (“JDR”) which represents units of the Sub-Fund on the Tokyo Stock Exchange (“TSE”). The JDR which represents units of the Sub-Fund was listed on the TSE on 27 February 2013.

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

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Underlying Index, namely, FTSE China A50 Index (the “Underlying Index”). In order to achieve the investment objective of the Sub-Fund, the Manager will adopt a full replication strategy by directly investing all, or substantially all, of the assets of the Sub-Fund in index securities constituting the Underlying Index in substantially the same weightings (i.e. proportions) as these index securities have in the Underlying Index. The Manager may also use a representative sampling strategy in exceptional circumstances.

The Sub-Fund has been using FTSE China A50 net total return index as its underlying index.

Under current regulations in the People’s Republic of China (“PRC”), generally foreign investors can invest in the domestic 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 securities markets. Foreign investors can also invest in the domestic securities market through Shanghai/Shenzhen – Hong Kong Stock Connect Program (“Stock Connect”).

The Sub-Fund obtains exposure to securities issued within the PRC through the RQFII quotas of the Manager and the Stock Connect. 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 requirements, 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 semi-annual financial statements are prepared for the Sub-Fund only. The condensed financial statements for CSOP CES China A80 ETF, CSOP SZSE ChiNext ETF, CSOP China CSI 300 Smart ETF, CSOP MSCI China A Inclusion Index ETF (Formerly known as CSOP MSCI China A International ETF) and ICBC CSOP S&P New China Sectors ETF have been prepared separately.

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

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 all 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 Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The condensed semi-annual financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

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

HKFRS 9 'Financial Instruments' addresses the classification, measurement and derecognition of financial assets and liabilities. It replaces the multiple classification and measurement models in HKAS 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. HKFRS 9 also introduces a new expected credit loss (ECL) impairment model

On adoption of HKFRS 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 HKFRS 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.

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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.

In preparing these 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.

Fair value of securities that are suspended from trading

As at 30 June 2018, there were listed equities which have been suspended for trading mainly due to business restructuring. Management made its judgement in determining the fair values of these investments and involved a higher degree of subjectivity. Management judgement in determining the fair values of the suspended investments includes factors such as the duration of suspension period, the relevant market information and news of the suspended listed equities, the price movement of comparable listed equities/index during the suspension period and, if applicable, the market prices of the suspended listed equities upon resumption of trading after period end.

As at 30 June 2018, these investments held by the Sub-Fund included listed equities of RMB106,143,075 which have been suspended for trading. Having considered the factors mentioned above, management has based on their best estimation and concluded using the latest available price before suspension as the fair value of the investments as at 30 June 2018. There were no investments held by the Sub-Fund which has been suspended for trading as at 31 December 2017. Refer to Note 8(d).

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 25 July 2012, as amended, and the Prospectus of the Sub-Fund, investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations.

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.

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

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

The movements of the redeemable units for the period ended 30 June 2018 and 30 June 2017 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 | 1,495,000,000 | 1,735,500,000 |
| Units issued | 28,000,000 | 346,500,000 |
| Units redeemed | (316,500,000) | (326,000,000) |
| Number of units in issue at the end of the period | <u>1,206,500,000</u> | <u>1,756,000,000</u> |
| | As at 30 June 2018 (Unaudited) <i>RMB</i> | As at 31 December 2017 (Audited) <i>RMB</i> |
| Net assets attributable to unitholders per unit (per statement of financial position) | <u>11.4117</u> | <u>12.9131</u> |

5. NET (LOSS)/GAIN ON INVESTMENTS

| | Period from 1 January 2018 to 30 June 2018 (Unaudited) <i>RMB</i> | Period from 1 January 2017 to 30 June 2017 (Unaudited) <i>RMB</i> |
|--|---|---|
| Net fair value change in unrealised gain/loss in value of investments | (2,679,641,326) | 1,891,663,441 |
| Net realised gain on sale of investments | 852,967,108 | 433,816,799 |
| | <u>(1,826,674,218)</u> | <u>2,325,480,240</u> |

6. TAXATION

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

PRC tax

The Sub-Fund invests in A-Shares listed in the PRC and is subjected to 10% withholding tax on dividend income derived from A-Shares. Withholding tax was charged on dividend income received from A-Shares during the period.

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

6. TAXATION (Continued)

The taxation of the Sub-Fund for the period ended 30 June 2018 and 30 June 2017 represents:

| | Period from 1 January 2018 to 30 June 2018 (Unaudited) RMB | Period from 1 January 2017 to 30 June 2017 (Unaudited) RMB |
|------------------------------------|--|--|
| Withholding tax on dividend income | 17,945,607 | 18,003,503 |
| Withholding tax on interest income | 8,018 | 10,334 |
| Taxation | <u>17,953,625</u> | <u>18,013,837</u> |

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 from 1 January 2018 to 30 June 2018, between the Sub-Fund and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with the Connected Persons of the Manager except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the net asset value of the Sub-Fund, accrued daily and calculated as at each dealing day and payable monthly in arrears.

(b) Trustee fee and Registrar's fee

The Trustee is entitled to receive a trustee fee of up to 1% per annum of the net asset value of the Sub-Fund, which accrued daily and calculated as at each dealing day and payable monthly in arrears. For the period ended 30 June 2018 and 31 December 2017, the trustee fee is calculated as a percentage per annum of the net asset value of the Sub-Fund, at the rate as follows, subject to a monthly minimum of RMB40,000:

| | Trustee fee percentage per annum |
|---------------------------|----------------------------------|
| For first RMB200 million | 0.16% |
| For next RMB1,000 million | 0.14% |
| For next RMB1,000 million | 0.12% |
| For next RMB1,000 million | 0.10% |
| Thereafter | 0.08% |

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

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

(b) Trustee fee and Registrar's fee (Continued)

The Trustee fee is inclusive of fees payable to The Hongkong and Shanghai Banking Corporation Limited (the "Custodian") and HSBC Bank (China) Company Limited (the "PRC Custodian").

The Trustee, acting as the Registrar, is also entitled to a fee of RMB120 per participating dealer per transaction.

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

(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) <i>RMB</i> | As at 31 December 2017 (Audited) <i>RMB</i> |
|---|--|--|
| Investments | | |
| The Hongkong and Shanghai Banking Corporation Limited | 11,093,806,933 | 14,150,277,262 |
| HSBC Bank (China) Company Limited | 2,534,657,830 | 5,141,517,550 |
| | <u>13,628,464,763</u> | <u>19,291,794,812</u> |
| Bank balances | | |
| The Hongkong and Shanghai Banking Corporation Limited | 57,250,057 | 5,414,587 |
| HSBC Bank (China) Company Limited | 98,845,453 | 31,187,858 |
| | <u>156,095,510</u> | <u>36,602,445</u> |

Interest income amounting to RMB275,987 (for the period from 1 January 2017 to 30 June 2017: RMB130,418) was earned on these bank balances for the period ended 30 June 2018.

As at 31 December 2017, the Sub-Fund invested in Huatai Securities Co Ltd, a connected person of the Manager, of RMB163,172,122.

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT

The objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the FTSE China A50 Index. The Sub-Fund's activities may expose it to a variety of risks including but not limited to: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

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

(a) Market risk

(i) Market price risk

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

The Sub-Fund is designated to track the performance of the FTSE China A50 Index, therefore the exposures to market risk in the Sub-Fund will be substantially the same as the tracked index. The Manager manages the Sub-Fund's exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned with the characteristics of the tracked index.

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

| | 30 June 2018 (Unaudited) | | 31 December 2017 (Audited) | |
|---|--------------------------|-------------------------|----------------------------|-------------------------|
| | Fair value <i>RMB</i> | % of net asset value | Fair value <i>RMB</i> | % of net asset value |
| Listed equities in PRC – by industry | | | | |
| Basic materials | 270,670,962 | 1.97 | 328,856,223 | 1.70 |
| Consumer goods | 3,405,791,734 | 24.74 | 3,650,980,496 | 18.91 |
| Financials | 7,523,893,751 | 54.65 | 11,985,229,969 | 62.08 |
| Health Care | 360,778,287 | 2.62 | 323,359,064 | 1.68 |
| Industrials | 1,281,111,355 | 9.30 | 1,989,786,555 | 10.31 |
| Oil & gas | 262,182,366 | 1.90 | 330,420,083 | 1.71 |
| Technology | 239,002,575 | 1.74 | 285,516,803 | 1.48 |
| Telecommunications | 105,275,484 | 0.76 | 174,281,079 | 0.90 |
| Utilities | 179,758,249 | 1.31 | 223,364,540 | 1.16 |
| | <u>13,628,464,763</u> | <u>98.99</u> | <u>19,291,794,812</u> | <u>99.93</u> |

The Sub-Fund held 50 out of 50 (31 December 2017: 50 out of 50) constituent securities comprising the FTSE China A50 Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the FTSE China A50 Index.

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

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

As at 30 June 2018, if the FTSE China A50 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 RMB1,362,846,476 (31 December 2017: RMB1,982,221,136). Conversely, if the FTSE China A50 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.

As at 30 June 2018 and 31 December 2017, interest rate risk arises only from bank balances. As the bank balances held by the Sub-Fund is short term in nature and the interest arising from these interest bearing assets are immaterial, the Manager considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. As a result, the Manager considers sensitivity analysis of interest rate risk is not necessary to be presented.

(iii) Currency risk

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

(b) Credit and counterparty risk

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

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

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

As at 30 June 2018, the Sub-Fund placed bank balances of RMB57,250,057 (31 December 2017: RMB5,414,587) and investments of RMB11,093,806,933 (RMB14,150,277,262) with The Hong Kong and Shanghai Banking Corporation Limited ("HSBC"), which is the custodian of the Sub-Fund. The S&P credit rating of HSBC is A (31 December 2017: A).

As at 30 June 2018, the Sub-Fund placed bank balances of RMB98,845,453 (31 December 2017: RMB31,187,858) and investments of RMB2,534,657,830 (31 December 2017: RMB5,141,517,550) with HSBC Bank (China) Company Limited ("HSBC China"), which is the PRC custodian of the Sub-Fund. The Moody's credit rating of HSBC China is A1 (31 December 2017: A1).

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

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.

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

| | Less than 1 month <i>RMB</i> | 1 month to less than 3 months <i>RMB</i> | Over 3 months <i>RMB</i> | Total <i>RMB</i> |
|---|------------------------------------|--|--------------------------------|---------------------|
| As at 30 June 2018 | | | | |
| Amounts due to participating dealers | - | - | - | - |
| Management fee payable | 11,774,732 | - | - | 11,774,732 |
| Trustee fee payable | 1,064,002 | - | - | 1,064,002 |
| License fee payable | - | 3,833,787 | - | 3,833,787 |
| Other accounts payable | - | 600 | 1,093,381 | 1,093,981 |
| Contractual cash outflow | 12,838,734 | 3,834,387 | 1,093,381 | 17,766,502 |
| As at 31 December 2017 | | | | |
| Amounts due to participating dealers | 25,766,066 | - | - | 25,766,066 |
| Management fee payable | 16,673,350 | - | - | 16,673,350 |
| Trustee fee payable | 1,462,848 | - | - | 1,462,848 |
| License fee payable | - | 5,619,358 | - | 5,619,358 |
| Other accounts payable | - | 2,520 | 726,242 | 728,762 |
| Contractual cash outflow | 43,902,264 | 5,621,878 | 726,242 | 50,250,384 |

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

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 <i>RMB</i> | 1 to 12 months <i>RMB</i> | No stated maturity <i>RMB</i> | Total <i>RMB</i> |
|-------------------------------|------------------------------------|---------------------------------|-------------------------------------|-----------------------|
| As at 30 June 2018 | | | | |
| Total assets | <u>13,678,417,198</u> | <u>7,849</u> | <u>107,526,275</u> | <u>13,785,951,322</u> |
| As at 31 December 2017 | | | | |
| Total assets | <u>19,353,997,575</u> | <u>2,443</u> | <u>1,383,200</u> | <u>19,355,383,218</u> |

(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.

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

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

| | Level 1 <i>RMB</i> | Level 2 <i>RMB</i> | Level 3 <i>RMB</i> | Total <i>RMB</i> |
|-------------------------------|------------------------------|---------------------------|-----------------------|------------------------------|
| As at 30 June 2018 | | | | |
| Assets | | | | |
| Investment | | | | |
| - Equity securities | 13,522,321,688 | 106,143,075 | - | 13,628,464,763 |
| | <u>13,522,321,688</u> | <u>106,143,075</u> | <u>-</u> | <u>13,628,464,763</u> |
| Total assets | <u>13,522,321,688</u> | <u>106,143,075</u> | <u>-</u> | <u>13,628,464,763</u> |
| | | | | |
| As at 31 December 2017 | | | | |
| Assets | | | | |
| Investment | | | | |
| - Equity securities | 19,291,794,812 | - | - | 19,291,794,812 |
| | <u>19,291,794,812</u> | <u>-</u> | <u>-</u> | <u>19,291,794,812</u> |
| Total assets | <u>19,291,794,812</u> | <u>-</u> | <u>-</u> | <u>19,291,794,812</u> |

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. Management has used best estimation and assessed all available information and considers that the last traded price is the best estimation of the fair value of level 2 investments as at 30 June 2018 and 31 December 2017.

As at 30 June 2018, one listed equity investment amounted to RMB106,143,075 represented 0.77% of the net asset value of the Sub-Fund, were suspended for trading due to voluntary business restructuring.

As at 31 December 2017, there were no investments held by the Sub-Fund which have been suspended for trading.

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

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

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

There is no distribution during the period ended 30 June 2018 and 30 June 2017.

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 financial assets at fair value through profit or loss, all financial assets including deposit reserve, interest receivable, amount due from brokers and bank balances are categorised as loans and receivables and carried at amortised cost. All the financial liabilities of the Sub-Fund are carried at amortised cost.

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

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/year ended 30 June 2018 and 31 December 2017.

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

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

There was one constituent security (31 December 2017: 1) that individually accounted for more than 10% of the net asset value of the Sub-Fund and their respective weightings of the FTSE China A50 Index as at 30 June 2018.

As at 30 June 2018

| | Weighting in the Index (%) | % of net asset value |
|---|-------------------------------|-------------------------|
| PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1 | 11.08% | 10.59% |

As at 31 December 2017

| | Weighting in the Index (%) | % of net asset value |
|---|-------------------------------|-------------------------|
| PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1 | 12.09% | 12.08% |

During the period ended, the FTSE China A50 Net Total Return index decreased by 11.75% (31 December 2017: Increased by 35.38%) while the net asset value per unit of the Sub-Fund decreased by 11.63% (31 December 2017: Increased by 30.35%).

12. SOFT COMMISSION ARRANGEMENT

The Manager has entered into soft commission arrangements for the period/year ended 30 June 2018 and 31 December 2017 with some brokers under which certain goods and services used to support investment decision making are obtained from third parties and are paid for by the brokers in consideration of transactions of the Sub-Fund directed to the brokers. These may include, for example, research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; clearing, registrar and custodial services and investment-related publication; computer hardware and software incidental to the above goods and services.

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 securities. The objectives of the Sub-Fund are to track the performance of the FTSE China A50 Index and invest in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

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

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund's income is derived from investments in PRC securities which constitute FTSE China A50 Index, the tracked index.

The total of non-current assets of the Sub-Fund located in PRC is RMB1,383,200 (31 December 2017: RMB1,383,200). The Sub-Fund has no other assets classified as non-current assets. As at 30 June 2018 and 31 December 2017, the Sub-Fund has a diversified portfolio of investments and one single investment accounts for more than 10% of the Sub-Fund's net asset value.

CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2018

| | Holdings | Fair value RMB | % of net assets |
|---|------------|-------------------|--------------------|
| Investments (98.99%) | | | |
| Listed equities (98.99%) | | | |
| China (98.99%) | | | |
| AGRICULTURAL BANK OF CHINA A SHS ORD CNY1 | 99,237,174 | 341,375,879 | 2.48 |
| ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1 | 4,859,718 | 162,703,359 | 1.18 |
| BANK OF BEIJING CO LTD ORD CNY1 CL A | 35,720,071 | 215,392,028 | 1.56 |
| BANK OF CHINA LTD A SHS ORD CNY1 | 59,274,387 | 213,980,537 | 1.55 |
| BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1 | 56,296,153 | 323,139,918 | 2.35 |
| BANK OF SHANGHAI CO LTD A SHS ORD CNY1 | 9,160,774 | 144,373,798 | 1.05 |
| BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1 | 14,771,570 | 115,070,530 | 0.84 |
| BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1 | 58,091,683 | 205,644,558 | 1.49 |
| BYD CO LTD A SHRS ORD CNY1 | 2,153,133 | 102,661,381 | 0.75 |
| CHINA CITIC BANK CORP A SHRS ORD CNY1 | 7,660,863 | 47,573,959 | 0.35 |
| CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV | 3,965,617 | 45,168,378 | 0.33 |
| CHINA CONSTRUCTION BANK A SHS ORD CNY1 | 25,316,007 | 165,819,846 | 1.20 |
| CHINA EVERBRIGHT BANK CO LTD A ORD CNY1 | 39,185,090 | 143,417,429 | 1.04 |
| CHINA LIFE INSURANCE CO A SHS ORD NPV | 4,099,398 | 92,318,443 | 0.67 |
| CHINA MERCHANTS BANK A SHR ORD CNY1 | 33,069,395 | 874,354,804 | 6.35 |
| CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD ORD CNY1 | 5,779,474 | 110,098,980 | 0.80 |
| CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1 | 64,808,514 | 453,659,598 | 3.29 |
| CHINA MOLYBDENUM CO LTD A SHR ORD NPV | 7,094,100 | 44,621,889 | 0.32 |
| CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1 | 7,073,021 | 225,275,719 | 1.64 |
| CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1 | 26,872,738 | 174,404,070 | 1.27 |
| CHINA RAILWAY GROUP LTD A ORD CNY1 | 14,209,247 | 106,143,075 | 0.77 |
| CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1 | 5,565,624 | 110,978,543 | 0.81 |
| CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1 | 47,247,377 | 257,970,678 | 1.87 |
| CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1 | 21,397,456 | 105,275,484 | 0.76 |
| CHINA VANKE CO LTD A SHR ORD CNY1 | 18,183,925 | 447,324,555 | 3.25 |
| CHINA YANGTZE POWER CO LTD CL A ORD CNY1 | 11,137,438 | 179,758,249 | 1.31 |
| CITIC SECURITIES CO LTD A SHR ORD CNY1 | 21,858,020 | 362,187,391 | 2.63 |
| CRRC CORP LTD A SHR ORD CNY1 | 20,942,305 | 161,255,749 | 1.17 |
| FOSHAN HAITIAN FLAVOURING & FOOD COMPANY LTD A SHS ORD CNY1 | 759,923 | 55,960,730 | 0.41 |
| FOXCONN INDUSTRIAL INTERNET CO LTD A SHRS ORD CNY1 | 3,143,967 | 57,974,752 | 0.42 |

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 30 June 2018

| | Holdings | Fair value RMB | % of net assets |
|---|-----------------|---------------------------|----------------------------|
| Investments (98.99%) (continued) | | | |
| Listed equities (98.99%) (continued) | | | |
| China (98.99%) (continued) | | | |
| GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1 | 11,964,114 | 564,107,975 | 4.10 |
| GUOTAI JUNAN SECURITIES CO LTD A SHRS ORD NPV | 9,299,557 | 137,075,470 | 1.00 |
| HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV | 7,855,870 | 291,688,453 | 2.12 |
| HEDY HOLDING CO LTD A SHS ORD CNY1 | 18,916,178 | 181,027,823 | 1.31 |
| INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1 | 60,658,356 | 322,702,454 | 2.34 |
| INDUSTRIAL BANK CO LTD A SHR ORD CNY1 | 38,963,040 | 561,067,776 | 4.08 |
| INNER MONGILIA YILI INDUSTRIAL GROUP CO LTD A SHS ORD CNY1 | 14,018,101 | 391,105,018 | 2.84 |
| JIANGSU HENGRUI MEDICINE CO LTD A SHR ORD CNY1 | 4,762,121 | 360,778,287 | 2.62 |
| JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1 | 1,239,697 | 163,144,125 | 1.18 |
| KWEICHOW MOUTAI CO LTD A SHR ORD CNY1 | 1,243,654 | 909,683,155 | 6.61 |
| MIDEA GROUP COMPANY LIMITED A SHR ORD NPV | 11,037,479 | 576,377,153 | 4.19 |
| NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV | 1,842,745 | 79,016,906 | 0.57 |
| PETROCHINA CO LTD A SHRS CNY1 | 11,384,993 | 87,778,296 | 0.64 |
| PING AN BANK CO LTD A SHR ORD CNY1 | 20,281,793 | 184,361,498 | 1.34 |
| PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1 | 24,893,854 | 1,458,281,967 | 10.59 |
| POLY REAL ESTATE GROUP CO LTD A SHR ORD CNY1 | 19,214,115 | 234,412,203 | 1.70 |
| SAIC MOTOR CORP LTD A SHR ORD CNY1 | 7,619,322 | 266,600,077 | 1.94 |
| SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1 | 8,479,380 | 50,537,105 | 0.37 |
| SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1 | 40,447,970 | 386,682,593 | 2.81 |
| WULIANGYE YIBIN CO LTD A SHS ORD CNY1 | 4,949,370 | 376,152,120 | 2.73 |
| | | <hr/> | <hr/> |
| Total investments | | 13,628,464,763 | 98.99 |
| Other net assets | | 139,720,057 | 1.01 |
| | | <hr/> | <hr/> |
| Net assets attributable to unitholders at 30 June 2018 | | 13,768,184,820 | 100.00 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Total investments, at cost | | 12,515,957,738 | |
| | | <hr/> <hr/> | |

CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2018

| | Holdings | | | | 30 June 2018 |
|--|-----------------------|------------------|--------------------------|------------------|---------------------|
| | 1 January 2018 | Additions | Corporate actions | Disposals | |
| Investments | | | | | |
| Listed equities | | | | | |
| AGRICULTURAL BANK OF CHINA A SHS ORD CNY1 | 127,668,874 | 3,659,100 | - | 32,090,800 | 99,237,174 |
| ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1 | - | 5,025,918 | - | 166,200 | 4,859,718 |
| BANK OF BEIJING CO LTD ORD CNY1 CL A | 46,875,741 | 1,321,630 | - | 12,477,300 | 35,720,071 |
| BANK OF CHINA LTD A SHS ORD CNY1 | 76,256,087 | 2,185,300 | - | 19,167,000 | 59,274,387 |
| BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1 | 72,426,053 | 2,075,900 | - | 18,205,800 | 56,296,153 |
| BANK OF SHANGHAI CO LTD A SHS ORD CNY1 | 2,822,113 | 7,176,361 | - | 837,700 | 9,160,774 |
| BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1 | 18,861,470 | 650,800 | - | 4,740,700 | 14,771,570 |
| BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1 | 74,930,083 | 1,995,100 | - | 18,833,500 | 58,091,683 |
| BYD CO LTD A SHRS ORD CNY1 | 2,770,333 | 79,500 | - | 696,700 | 2,153,133 |
| CHINA CITIC BANK CORP A SHRS ORD CNY1 | 9,856,363 | 280,900 | - | 2,476,400 | 7,660,863 |
| CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV | 5,100,317 | 145,000 | - | 1,279,700 | 3,965,617 |
| CHINA CONSTRUCTION BANK A SHS ORD CNY1 | 32,568,718 | 934,289 | - | 8,187,000 | 25,316,007 |
| CHINA EVERBRIGHT BANK CO LTD A ORD CNY1 | 50,412,390 | 1,447,000 | - | 12,674,300 | 39,185,090 |
| CHINA LIFE INSURANCE CO A SHS ORD NPV | 5,273,698 | 152,600 | - | 1,326,900 | 4,099,398 |
| CHINA MERCHANTS BANK A SHR ORD CNY1 | 42,542,948 | 1,216,247 | - | 10,689,800 | 33,069,395 |
| CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD ORD CNY1 | 7,435,270 | 214,504 | - | 1,870,300 | 5,779,474 |

CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the period ended 30 June 2018

| | Holdings | | | | 30 June 2018 |
|--|----------------|-----------|-------------------|------------|--------------|
| | 1 January 2018 | Additions | Corporate actions | Disposals | |
| Investments (Continued) | | | | | |
| Listed equities (Continued) | | | | | |
| CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1 | 83,375,969 | 2,390,745 | - | 20,958,200 | 64,808,514 |
| CHINA MOLYBDENUM CO LTD A SHR ORD NPV | - | 7,169,500 | - | 75,400 | 7,094,100 |
| CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1 | 9,098,421 | 259,900 | - | 2,285,300 | 7,073,021 |
| CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1 | 34,573,138 | 990,800 | - | 8,691,200 | 26,872,738 |
| CHINA RAILWAY GROUP LTD A ORD CNY1 | 18,603,847 | 124,000 | - | 4,518,600 | 14,209,247 |
| CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1 | 13,734,318 | 250,400 | - | 13,984,718 | - |
| CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1 | 7,159,824 | 206,000 | - | 1,800,200 | 5,565,624 |
| CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1 | 43,416,727 | 1,242,400 | 13,499,250 | 10,911,000 | 47,247,377 |
| CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1 | 27,532,556 | 786,700 | - | 6,921,800 | 21,397,456 |
| CHINA VANKE CO LTD A SHR ORD CNY1 | 23,395,302 | 671,823 | - | 5,883,200 | 18,183,925 |
| CHINA YANGTZE POWER CO LTD CL A ORD CNY1 | 14,327,424 | 412,114 | - | 3,602,100 | 11,137,438 |
| CITIC SECURITIES CO LTD A SHR ORD CNY1 | 28,121,220 | 807,300 | - | 7,070,500 | 21,858,020 |
| CRRC CORP LTD A SHR ORD CNY1 | 26,942,605 | 772,400 | - | 6,772,700 | 20,942,305 |
| FOSHAN HAITIAN FLAVOURING & FOOD COMPANY LTD A SHS ORD CNY1 | - | 767,723 | - | 7,800 | 759,923 |
| FOXCONN INDUSTRIAL INTERNET CO LTD A SHRS ORD CNY1 | - | 3,177,767 | - | 33,800 | 3,143,967 |
| GF SECURITIES CO LTD A SHR ORD CNY1 | 9,091,304 | 60,000 | - | 9,151,304 | - |

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the period ended 30 June 2018

| | Holdings | | | | 30 June 2018 |
|--|----------------|------------|-------------------|------------|--------------|
| | 1 January 2018 | Additions | Corporate actions | Disposals | |
| Investments (Continued) | | | | | |
| Listed equities (Continued) | | | | | |
| GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1 | - | 12,374,114 | - | 410,000 | 11,964,114 |
| GUANGZHOU AUTOMOBILE GROUP CO LTD A SHRS ORD CNY1 | 1,915,075 | 227,587 | 699,584 | 2,842,246 | - |
| GUOTAI JUNAN SECURITIES CO LTD A SHRS ORD NPV | 11,965,256 | 342,301 | - | 3,008,000 | 9,299,557 |
| HAITONG SECURITIES CO LTD CL A ORD CNY1 | 21,665,689 | 392,400 | - | 22,058,089 | - |
| HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV | 10,029,150 | 350,120 | - | 2,523,400 | 7,855,870 |
| HEDY HOLDING CO LTD A SHS ORD CNY1 | 20,278,182 | 583,000 | 3,152,696 | 5,097,700 | 18,916,178 |
| HUATAI SECURITIES CO LTD A SHS ORD CNY1 | 9,453,773 | 64,000 | - | 9,517,773 | - |
| INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1 | 78,037,656 | 2,237,500 | - | 19,616,800 | 60,658,356 |
| INDUSTRIAL BANK CO LTD A SHR ORD CNY1 | 50,126,540 | 1,438,300 | - | 12,601,800 | 38,963,040 |
| INNER MONGILIA YILI INDUSTRIAL GROUP CO LTD A SHS ORD CNY1 | 18,035,210 | 513,091 | - | 4,530,200 | 14,018,101 |
| JIANGSU HENGRUI MEDICINE CO LTD A SHR ORD CNY1 | 4,687,722 | 188,506 | 1,077,593 | 1,191,700 | 4,762,121 |
| JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1 | 1,594,497 | 44,700 | - | 399,500 | 1,239,697 |
| KWEICHOW MOUTAI CO LTD A SHR ORD CNY1 | 1,599,531 | 44,723 | - | 400,600 | 1,243,654 |
| MIDEA GROUP COMPANY LIMITED A SHR ORD NPV | 13,948,347 | 404,732 | - | 3,315,600 | 11,037,479 |
| NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV | 2,371,845 | 69,800 | - | 598,900 | 1,842,745 |
| PETROCHINA CO LTD A SHRS CNY1 | 14,646,075 | 420,918 | - | 3,682,000 | 11,384,993 |

CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the period ended 30 June 2018

| | Holdings | | | | 30 June 2018 |
|---|-----------------------|------------------|------------------------------|------------------|---------------------|
| | 1 January 2018 | Additions | Corporate actions | Disposals | |
| Investments (Continued) | | | | | |
| Listed equities (Continued) | | | | | |
| PING AN BANK CO LTD A SHR ORD CNY1 | 26,091,968 | 746,625 | - | 6,556,800 | 20,281,793 |
| PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1 | 33,314,354 | 953,100 | - | 9,373,600 | 24,893,854 |
| POLY REAL ESTATE GROUP CO LTD A SHR ORD CNY1 | 24,719,539 | 709,976 | - | 6,215,400 | 19,214,115 |
| SAIC MOTOR CORP LTD A SHR ORD CNY1 | 8,529,700 | 940,922 | - | 1,851,300 | 7,619,322 |
| SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1 | 10,908,280 | 312,600 | - | 2,741,500 | 8,479,380 |
| SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1 | 52,036,750 | 1,491,720 | - | 13,080,500 | 40,447,970 |
| WULIANGYE YIBIN CO LTD A SHS ORD CNY1 | 6,228,326 | 289,844 | - | 1,568,800 | 4,949,370 |

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

PERFORMANCE RECORD (Unaudited)

Net asset value

| | Dealing net asset value of the Sub-Fund <i>RMB</i> | Dealing net asset value per unit <i>RMB</i> |
|---|--|---|
| At the end of financial period/year dated | | |
| 30 June 2018 | 13,768,184,820 | 11.4117 |
| 31 December 2017 | 19,305,132,834 | 12.9131 |
| 31 December 2016 | 17,192,182,812 | 9.9062 |

Highest and lowest net asset value per unit

| | Highest net asset value per unit <i>RMB</i> | Lowest net asset value per unit <i>RMB</i> |
|--|---|--|
| Financial period/year ended | | |
| 30 June 2018 | 14.5348 | 11.1353 |
| 31 December 2017 | 13.9003 | 9.9773 |
| 31 December 2016 | 10.8850 | 8.5007 |
| 31 December 2015 | 15.0028 | 8.6763 |
| 31 December 2014 | 11.3976 | 6.3961 |
| 31 December 2013 | 9.1469 | 6.8307 |
| 31 December 2012 (since 23 August 2012 (date of inception)) | 8.2890 | 6.9571 |

**CSOP FTSE CHINA A50 ETF
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