



CSOP ETF SERIES

(An umbrella unit trust established in Hong Kong)

ICBC CSOP S&P NEW CHINA SECTORS ETF

Stock Codes: 03167 (HKD Counter), 83167 (RMB Counter) and 9167 (USD Counter)

(A sub-fund of CSOP ETF Series)

Reports and Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

CONTENTS

	Page
Report of the Manager to the Unitholders	1
Report of the Trustee to the Unitholders	2
Statement of Responsibilities of the Manager and the Trustee	3
Independent Auditor's Report	4 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Net Assets Attributable to Unitholders	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 – 31
Investment Portfolio (Unaudited)	32 – 35
Statement of Movements in Investment Portfolio (Unaudited)	36 – 47
Performance Record (Unaudited)	48
Management and Administration	49

ICBC CSOP S&P NEW CHINA SECTORS ETF (A SUB-FUND OF CSOP ETF SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The ICBC CSOP S&P New China Sectors ETF (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 6 December 2016 and commenced trading in HKD under the stock code 3167 on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 8 December 2016. The Sub-Fund is benchmarked against the S&P New China Sectors Index (the “Index”) and adopts the full-replication strategy. The manager of the Sub-Fund is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The Sub-Fund is a physical ETF which invests directly in the S&P New China Sectors Index securities. The Index is compiled and published by S&P Dow Jones Indices LLC. It is a net total return index compiled and published by S&P Dow Jones, which is designed to reflect the performance of the new growth China consumption and services-oriented entities selected by float-adjusted market capitalisation. The Index operates under clearly defined rules published by the index provider and is a tradable index.

The Sub-Fund is a physical ETF which invests directly in the China securities in S&P New China Sectors Index 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 17 November 2014, foreign investors can trade eligible stocks listed in Shanghai Stock Exchange through Shanghai-Hong Kong Stock Connect. And from 5 December 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 31 December 2018.

The Sub-Fund Performance

The Sub-Fund seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As of 28 December 2018 (last trading date), the dealing Net Asset Value (“NAV”) per unit of the Sub-Fund was HKD 57.0567 and there were 13,600,000 units outstanding. The total asset under management was approximately HKD 775.97 million as at 28 December 2018 (last trading date).

For the period from 1 January 2018 to 28 December 2018 (last trading date), the dealing NAV of ICBC CSOP S&P New China Sectors ETF (stock code: 3167) performed -23.78% while the Index performed -23.30%. The difference in performance between the NAV of the Sub-Fund and the Index is mainly attributed to fees, expenses and market change during launch period. YTD Net total return of the HKD counter (stock code: 3167) was -23.81%.

Exchange Liquidity

Since inception, the Sub-Fund has attracted great investor attention from investors across the globe. The trading value of the HKD counter (stock code: 3167) remained steadily at an average daily turnover of HKD 0.53 million in December 2018. The trading value of the RMB counter (stock code: 83167) and USD counter (stock code: 9167) are at an average daily turnover of RMB 6 thousand and USD 0.8 thousand in December 2018.

Portfolio Rebalance

The ICBC CSOP S&P New China Sectors ETF adopts full-replication strategy to track the Index. Since inception, the Sub-Fund has experienced four semi-annual index rebalances.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of the ICBC CSOP S&P New China Sectors ETF (the “Sub-Fund”), a sub-fund of CSOP ETF Series, has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 25 July 2012, as amended, for the year ended 31 December 2018.

HSBC Institutional Trust Services (Asia) Limited
29 April 2019

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER'S RESPONSIBILITIES

The Manager of the ICBC CSOP S&P New China Sectors ETF (the "Sub-Fund"), a sub-fund of CSOP ETF Series, is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed dated 25 July 2012, as amended, (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of the year and of the transactions for the year then ended. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Sub-Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

CSOP ETF Series (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 December 2018, the Trust has established seven sub-funds, namely, ICBC CSOP S&P New China Sectors ETF, CSOP FTSE China A50 ETF, 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 CSOP Hong Kong Dollar Money Market ETF. The sub-funds of the Trust, CSOP MSCI T50 ETF was terminated on 29 June 2018 and CSOP Hong Kong Dollar Money Market ETF was launched on 29 June 2018.

TRUSTEE'S RESPONSIBILITIES

The Trustee of the Sub-Fund is required to:

- ensure that the Sub-Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not managing the Sub-Fund in accordance to the Trust Deed.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES, AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG KONG)**

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of ICBC CSOP S&P New China Sectors ETF (the "Sub-Fund"), a sub-fund of CSOP ETF Series, set out on pages 8 to 31, which comprise:

- the statement of financial position as at 31 December 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2018, and of its financial transactions and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

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

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

Independence

We are independent of the Sub-Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ICBC CSOP S&P NEW CHINA SECTORS ETF (CONTINUED)
(A SUB-FUND OF CSOP ETF SERIES, AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG KONG)**

Key Audit Matters (Continued)

Key audit matters identified in our audit are summarised as follows:

Key Audit Matters	How our audit addressed the Key Audit Matters
<p><u>Existence and valuation of investments</u></p> <p>The Sub-Fund's investments as at 31 December 2018 were mainly comprised of listed equities of companies in United States of America, Hong Kong and the People's Republic of China, valued at HKD770,374,546.</p> <p>We focused on the existence and valuation of the investments because the investments represented the principal element of the Sub-Fund's net asset value.</p> <p>Refer to Note 8 to the financial statements.</p>	<p>We agreed the existence of the Sub-Fund's holdings of investments by obtaining a direct confirmation from the custodian and checking the confirmation to the Sub-Fund's records. Based on the procedures we performed, we found the Sub-Fund's holdings of investments to be in agreement with the confirmation received.</p> <p>We agreed the valuation of the Sub-Fund's investments by comparing the pricing used by the Manager to the publicly available external pricing sources as at 31 December 2018. We found no material exceptions from our testing.</p>

Other Information

The trustee and the manager (the "Management") of the Sub-Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Management of the Sub-Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management of the Sub-Fund is responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 25 July 2012, as amended ("Trust Deed") and the Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ICBC CSOP S&P NEW CHINA SECTORS ETF (CONTINUED)
(A SUB-FUND OF CSOP ETF SERIES, AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG KONG)**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the Appendix E of the SFC Code.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ICBC CSOP S&P NEW CHINA SECTORS ETF (CONTINUED)
(A SUB-FUND OF CSOP ETF SERIES, AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG KONG)**

Report on Matters Under the Relevant Disclosure Provisions of the Trust Deed and the Appendix E of the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the Appendix E of the SFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Li, Lien.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 April 2019

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	<i>Notes</i>	2018 <i>HKD</i>	2017 <i>HKD</i>
ASSETS			
NON-CURRENT ASSETS			
Deposit reserve		15,938	16,796
CURRENT ASSETS			
Investments	<i>7(d),8(a)</i>	770,374,546	986,748,485
Dividend receivable		17,866	-
Interest receivable		157	154
Amounts due from brokers		8,267	-
Bank balances	<i>7(d)</i>	8,901,922	7,669,207
		<u>779,302,758</u>	<u>994,417,846</u>
Total assets		<u>779,318,696</u>	<u>994,434,642</u>
LIABILITIES			
CURRENT LIABILITIES			
Management fee payable	<i>7(a),(b),(c)</i>	653,627	557,296
Other accounts payable		998,607	415,574
		<u>1,652,234</u>	<u>972,870</u>
Total liabilities		<u>1,652,234</u>	<u>972,870</u>
EQUITY			
Net assets attributable to unitholders	<i>4</i>	<u>777,666,462</u>	<u>993,461,772</u>

The financial statements on pages 8 to 31 were approved by the Trustee and the Manager on 29 April 2019 and were signed on their behalf.

For and on behalf of

For and on behalf of

CSOP Asset Management Limited
as the Manager

HSBC Institutional Trust Services (Asia) Limited
as the Trustee

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

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

		Year ended 31 December 2018	Period from 6 December 2016 (date of inception) to 31 December 2017
	<i>Notes</i>	<i>HKD</i>	<i>HKD</i>
INCOME			
Dividend income		16,183,342	3,232,655
Interest income	7(d)	39,734	5,396
Net (loss)/gain on investments	5	(272,060,436)	102,081,021
Other income/(loss)		426,471	(1,116,904)
Net foreign currency loss		(479,726)	(239,069)
Total net (loss)/income		<u>(255,890,615)</u>	<u>103,963,099</u>
EXPENSES			
Management fee	7(a),(b),(c)	(9,888,959)	(2,350,651)
Transaction costs on investments		(797,550)	(1,458,285)
Audit fee		(238,743)	(260,001)
Safe custody and bank charges		(395,354)	(75,891)
Legal and other professional fee		(54,031)	(20,807)
Establishment costs		-	(569,196)
Other operating expenses		(876,906)	(295,865)
Total operating expenses		<u>(12,251,543)</u>	<u>(5,030,696)</u>
Operating (loss)/profit		<u>(268,142,158)</u>	<u>98,932,403</u>
Taxation	6	<u>(1,116,772)</u>	<u>(227,631)</u>
Total comprehensive income		<u><u>(269,258,930)</u></u>	<u><u>98,704,772</u></u>

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

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2018

	<i>Note</i>	Year ended 31 December 2018 <i>HKD</i>	Period from 6 December 2016 (date of inception) to 31 December 2017 <i>HKD</i>
Net assets attributable to unitholders at the beginning of the year/period		993,461,772	-
Proceeds on issue of units		172,568,700	907,595,000
Payments on redemption of units		(108,633,080)	-
Net increase from unit transactions		63,935,620	907,595,000
Distribution to unitholders	9	(10,472,000)	(12,838,000)
Total comprehensive income for the year/period		(269,258,930)	98,704,772
Net assets attributable to unitholders at the end of the year/period		777,666,462	993,461,772

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

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Year ended 31 December 2018 <i>HKD</i>	Period from 6 December 2016 (date of inception) to 31 December 2017 <i>HKD</i>
OPERATING ACTIVITIES		
Payments for purchase of investments	(396,128,681)	(992,364,849)
Proceeds from sale of investments	340,433,917	107,697,385
Dividend received	16,165,476	3,232,655
Interest received	39,731	5,242
Other income received/expenses paid	426,471	(1,116,904)
Management fee paid	(9,792,628)	(1,793,355)
Transaction costs paid	(797,550)	(1,458,285)
Taxation paid	(1,116,772)	(227,631)
Other operating expenses paid	(982,001)	(806,186)
Deposit reserve received/(paid)	858	(16,796)
	<hr/>	<hr/>
Net cash used in operating activities	(51,751,179)	(886,848,724)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
FINANCING ACTIVITIES		
Proceeds on issue of units	172,568,700	907,595,000
Payments on redemption of units	(108,633,080)	-
Distribution paid	(10,472,000)	(12,838,000)
	<hr/>	<hr/>
Net cash generated from financing activities	53,463,620	894,757,000
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Net increase in cash and cash equivalents	1,712,441	7,908,276
Cash and cash equivalents at the beginning of the year/period	7,669,207	-
Effect of foreign exchange rate changes	(479,726)	(239,069)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year/period	8,901,922	7,669,207
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Analysis of balances of cash and cash equivalents		
Bank balances	8,901,922	7,669,207
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The accompanying notes form an integral part of these financial statements.

ICBC CSOP S&P NEW CHINA SECTORS ETF

(A SUB-FUND OF CSOP ETF SERIES)

NOTES TO THE 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 31 December 2018, the Trust has seven sub-funds which are ICBC CSOP S&P New China Sectors ETF (the “Sub-Fund”), CSOP FTSE China A50 ETF, 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 CSOP Hong Kong Dollar Money Market ETF. The sub-funds of the Trust, CSOP MSCI T50 ETF was terminated on 29 June 2018 and CSOP Hong Kong Dollar Money Market ETF was launched on 29 June 2018. The date of inception of the Sub-Fund was 6 December 2016. The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited. With effect from 20 November 2017, the name of the Sub-Fund has been changed from CSOP S&P New China Sectors ETF to ICBC CSOP S&P New China Sectors ETF.

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, the S&P New China Sectors Index (“Underlying Index”). In order to achieve the investment objective, the Manager will primarily use 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 Sub-Fund may also invest not more than 5% of its net asset value in non-index securities which have investment profile that aims to reflect the profile of the Underlying Index and may also invest not more than 5% of its net asset value in money market funds and in cash deposits for cash management purpose.

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 financial statements are prepared for the Sub-Fund only. The financial statements for CSOP FTSE China A50 ETF, 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 CSOP Hong Kong Dollar Money Market ETF have been prepared separately.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS 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 financial statements are disclosed in Note 3.

Standards and amendments to existing standards effective 1 January 2018

HKFRS 9 ‘Financial Instruments’ became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in HKAS 39.

Classification and measurement of debt assets is 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.

HKFRS 9 has been applied retrospectively by the Sub-Fund and did not result in a change to the classification or measurement of financial instruments as outlined in Note 2(b). The Sub-Fund’s investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

HKFRS 15 ‘Revenue from Contracts with Customers’ became effect for annual period beginning on or after 1 January 2018. It addresses the recognition of revenue and replaces HKAS 18 ‘Revenue’ and HKAS 11 ‘Construction Contracts’.

HKFRS 15 has been applied retrospectively by the Sub-Fund. The Sub-Fund does not have revenue from contracts with customers and only incurs gains and income from investments. There was no material impact on the financial statements of the Sub-Fund on adoption of HKFRS 15.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

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 standards 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 early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Fund.

(b) Investments

(i) Classification

The Sub-Fund classifies its investments based on both the Sub-Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

(ii) Recognition/derecognition

Purchases and sales of investments are accounted for on the trade date basis - the date on which the Sub-Fund commits to purchase or sell the investments. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Investments are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, all investments are measured at fair value. Realised and unrealised gains and losses on investments are recognised in the statement of comprehensive income in the year/period in which they arise.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Investments (Continued)

(iv) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Sub-Fund utilises the last traded market price for both listed financial assets and liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets that are not traded in an active market (for example, over-the-counter derivatives) is determined by using broker quotes or valuation techniques.

(v) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

(vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(c) Amounts due from participating dealers/brokers

Amounts due from participating dealers represent the subscription receivable from the participating dealers at the end of the reporting year/period. The amounts are non-interest bearing and repayable on demand.

Amounts due from brokers represent receivables for securities sold that have been contracted for but not yet settled on the statement of financial position date.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Sub-Fund shall measure the loss allowance on amounts due from participating dealers/brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the participating dealers/brokers, probability that the participating dealers/brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by Management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Amounts due to participating dealers/brokers

Amounts due to participating dealers represent the redemption payable to the participating dealers at the end of the reporting year. The amounts are non-interest bearing and repayable on demand.

Amounts due to brokers represent payables for securities purchased that have been contracted for but not yet delivered on the statement of financial position date.

These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(e) Dividend income and interest income

Dividend income is recorded on the ex-dividend date with the corresponding foreign withholding taxes recorded as an expense.

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

(f) Distributions to unitholders

Distributions to unitholders are recognised in the statement of changes in net assets attributable to unitholders when they are approved by the Manager.

(g) Other income/expense

Other income/expense mainly represents the difference between the proceeds received from/paid to participating dealers and cost of investment purchased/sold.

(h) Transactions costs

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

(i) Expenses

Expenses are accounted for on an accrual basis.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank, demand deposits, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(k) Foreign currencies translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the “functional currency”). The performance of the Sub-Fund is measured and reported to the unitholders in HKD. The Manager considers Hong Kong Dollar (HKD) as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in HKD, which is the Sub-Fund’s functional and presentation currency.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Foreign currencies translation (Continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net gain/(loss) on investments”.

(l) Redeemable units

The Sub-Fund issues redeemable units, which are redeemable at the holder’s option. These units represent puttable financial instruments of the Sub-Fund. The Sub-Fund classifies its puttable financial instruments as equity in accordance with HKAS 32 (Amendment), “Financial instruments: Presentation” as those puttable financial instruments meet all the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of the Sub-Fund.

Units are issued and redeemed at the holder’s option at prices based on the Sub-Fund’s net asset value per unit at the time of issue or redemption. The Sub-Fund’s net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

In accordance with the Prospectus of the Sub-Fund, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for subscriptions and redemptions of the Sub-Fund.

(m) Taxation

The Sub-Fund currently incurs withholding taxes imposed by PRC on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included as taxation in the statement of comprehensive income.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Taxation (Continued)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(n) Establishment costs

Establishment costs are recognised as an expense in the year in which they are incurred.

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 fair value of the securities that are suspended from trading 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 31 December 2017, there were listed equities which have been suspended for trading mainly due to business restructuring. Management made its judgment in determining the fair values of these investments and involved a higher degree of subjectivity. Management judgment 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 31 December 2017, the Sub-Fund held two listed equities of HKD840,440, represented 0.08% of the net asset value of the Sub-Fund, were suspended for trading. One of the suspended investments amounted to HKD397,160 was classified as level 2. One of the suspended investments amounted to HKD443,280 was classified as level 3. All of the suspended investments held by the Sub-Fund as at 31 December 2017 have resumed trading during the year ended 31 December 2018. 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 two investments amounted to RMB840,440 as at 31 December 2017. Refer to Note 8(d).

As at 31 December 2018, the Sub-Fund did not hold any investment under suspension nor hold any investment classified in level 3.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

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 statement of financial position. Subscriptions and redemptions of units during the year/period are shown in the 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.

As stated in Note 2(n), 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 stated in Note 2(l), 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 for the year ended 31 December 2018 and the period from 6 December 2016 (date of inception) to 31 December 2017 are as follows:

	Year ended 31 December 2018 <i>Units</i>	Period from 6 December 2016 (date of inception) to 31 December 2017 <i>Units</i>
Number of units in issue at the beginning of the year/period	13,100,000	-
Units issued	2,200,000	13,100,000
Units redeemed	(1,700,000)	-
	<hr/>	<hr/>
Number of units in issue at the end of the year/period	13,600,000	13,100,000
	<hr/> <hr/>	<hr/> <hr/>
	2018	2017
	<i>HKD</i>	<i>HKD</i>
Net assets attributable to unitholders per unit as at 31 December (per statement of financial position)	57.1814	75.8368
	<hr/> <hr/>	<hr/> <hr/>

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

5. NET (LOSS)/GAIN ON INVESTMENTS

	Year ended 31 December 2018 <i>HKD</i>	Period from 6 December 2016 (date of inception) to 31 December 2017 <i>HKD</i>
Net change in unrealised gain/loss in value of investments	(233,668,600)	93,700,667
Net realised (loss)/gain on sale of investments	(38,391,836)	8,380,354
	<u>(272,060,436)</u>	<u>102,081,021</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 year ended 31 December 2018 and the period from 6 December 2016 (date of inception) to 31 December 2017.

The taxation of the Sub-Fund for the year ended 31 December 2018 and the period from 6 December 2016 (date of inception) to 31 December 2017 represents:

	Year ended 31 December 2018 <i>HKD</i>	Period from 6 December 2016 (date of inception) to 31 December 2017 <i>HKD</i>
Withholding tax on dividend income	1,116,347	227,524
Withholding tax on interest income	425	107
Taxation	<u>1,116,772</u>	<u>227,631</u>

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

The following is a summary of significant related party transactions and transactions entered into during the year/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 and Futures Commission of Hong Kong (the “SFC Code”). All transactions entered into during the year ended 31 December 2018 and the period from 6 December 2016 (date of inception) to 31 December 2017, 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 at the rate of 0.99% per annum of the net asset value of the Sub-Fund, inclusive of Trustee fee and Registrar's fee and Investment Adviser fee, accrued daily and calculated as at each dealing day and payable monthly in arrears.

(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 the Registrar out of the management fee. Refer to Note 7(a).

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

(c) Investment Adviser fee

The management fee is inclusive of the Investment Adviser’s fee and the Manager will pay the fees of the Investment Adviser (if any) out of the management fee. Refer Note 7(a).

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

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

(d) Financial assets

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

	2018 <i>HKD</i>	2017 <i>HKD</i>
Investments		
The Hongkong and Shanghai Banking Corporation Limited	769,243,865	960,990,379
HSBC Bank (China) Company Limited	1,130,681	25,758,106
	<u>770,374,546</u>	<u>986,748,485</u>
Bank balances		
The Hongkong and Shanghai Banking Corporation Limited	8,872,860	6,630,817
HSBC Bank (China) Company Limited	29,062	1,038,390
	<u>8,901,922</u>	<u>7,669,207</u>

Interest income amounted to HKD39,734 (2017: HKD5,396) was earned on these bank balances for the year ended 31 December 2018 and the period from 6 December 2016 (date of inception) to 31 December 2017.

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 S&P New China Sectors 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 S&P New China Sectors 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.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

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

	2018		2017	
	Fair value <i>HKD</i>	% of net asset value	Fair value <i>HKD</i>	% of net asset value
Listed equities – by geographical region				
China	213,971,090	27.51	299,809,216	30.18
Hong Kong	377,375,507	48.53	452,431,325	45.54
United States	179,027,949	23.02	234,507,944	23.60
	<u>770,374,546</u>	<u>99.06</u>	<u>986,748,485</u>	<u>99.32</u>
Listed equities – by industry				
Consumer Goods	172,769,248	22.22	240,848,396	24.24
Consumer Services	163,071,093	20.97	217,827,359	21.93
Financials	133,090,345	17.11	146,471,095	14.74
Health Care	52,331,604	6.73	63,292,479	6.37
Industrials	18,998,460	2.44	24,221,129	2.44
Technology	149,071,228	19.17	209,019,481	21.04
Telecommunications	55,468,293	7.13	55,845,861	5.62
Utilities	25,574,275	3.29	29,222,685	2.94
	<u>770,374,546</u>	<u>99.06</u>	<u>986,748,485</u>	<u>99.32</u>

The Sub-Fund held 117 out of 117 (2017: 137 out of 139) constituent securities comprising the S&P New China Sectors Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the S&P New China Sectors Index.

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

As at 31 December 2018, if the S&P New China Sectors Index were to increase by 10% (2017: 10%) with all other variables held constant, this would increase the operating profit for the year/period by approximately HKD77,334,718 (2017: HKD107,146,473). Conversely, if the S&P New China Sectors Index were to decrease by 10% (2017: 10%), this would decrease the operating profit for the year/period by an equal amount.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(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 31 December 2018 and 2017, interest rate risk arises only from bank balances. As the bank balances held by the Sub-Fund is short term in nature and 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 has assets and liabilities denominated in currencies other than HKD, the functional currency of the Sub-Fund. The Sub-Fund is therefore exposed to currency risks as the value of the assets and liabilities denominated in other currencies will fluctuate due to change in exchange rates.

The table below summarises the Sub-Fund's monetary exposure to currency risks.

	As at 31 December 2018		As at 31 December 2017	
	Monetary <i>HKD</i>	Non-monetary <i>HKD</i>	Monetary <i>HKD</i>	Non-monetary <i>HKD</i>
Renminbi	2,638,325	213,971,090	5,953,802	299,809,216
United States Dollar	3,311,118	179,027,949	486,378	234,507,944

Assets and liabilities denominated in United States Dollar are not considered as subject to currency risk as it is currently pegged to the HKD within a narrow range.

The following table shows the approximate changes in the Sub-fund's net assets in response to a reasonable possible changes in the RMB exchange rate as at 31 December 2018 and 2017, with all other variables held constant.

	Change	Impact on net assets	
		2018 <i>HKD</i>	2017 <i>HKD</i>
Renminbi	+/- 5%	+/- 10,830,471	+/- 15,288,151

(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.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

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 31 December 2018, the Sub-Fund placed bank balances of HKD8,872,860 (2017: HKD6,630,817) and investments of HKD769,243,865 (2017: HKD960,990,379) with The Hongkong and Shanghai Banking Corporation Limited (“HSBC”), which is the custodian of the Sub-Fund. The S&P credit rating of HSBC is A (2017: A).

As at 31 December 2018, the Sub-Fund placed bank balances of HKD29,062 (2017: HKD1,038,390) and investments of HKD1,130,681 (2017: HKD25,758,106) 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 (2017: A1).

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. As at 31 December 2018 and 2017, deposit reserve, dividend receivable, interest receivable, amounts due from brokers and bank balances are held with counterparties with high credit rating and are due to be settled within 1 month. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund.

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

(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.

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

NOTES TO THE FINANCIAL STATEMENTS

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 <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2018				
Management fee payable	653,627	-	-	653,627
Other accounts payable	-	25,381	973,226	998,607
Contractual cash outflow	<u>653,627</u>	<u>25,381</u>	<u>973,226</u>	<u>1,652,234</u>
As at 31 December 2017				
Management fee payable	557,296	-	-	557,296
Other accounts payable	165,423	240,000	10,151	415,574
Contractual cash outflow	<u>722,719</u>	<u>240,000</u>	<u>10,151</u>	<u>972,870</u>

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

Units are redeemed on demand at the unitholder's option. As at 31 December 2018 and 2017, there was 1 (2017: 1) unitholder 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>HKD</i>	1 to 12 months <i>HKD</i>	No stated maturity <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2018				
Total assets	779,302,601	157	15,938	779,318,696
As at 31 December 2017				
Total assets	993,577,252	397,314	460,076	994,434,642

(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.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE 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 31 December 2018 and 2017:

	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2018				
Assets				
Investments				
- Equity securities	770,374,546	-	-	770,374,546
	<u>770,374,546</u>	<u>-</u>	<u>-</u>	<u>770,374,546</u>
Total assets	<u>770,374,546</u>	<u>-</u>	<u>-</u>	<u>770,374,546</u>
As at 31 December 2017				
Assets				
Investments				
- Equity securities	985,908,045	397,160	443,280	986,748,485
	<u>985,908,045</u>	<u>397,160</u>	<u>443,280</u>	<u>986,748,485</u>
Total assets	<u>985,908,045</u>	<u>397,160</u>	<u>443,280</u>	<u>986,748,485</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 31 December 2017.

As at 31 December 2018, there was no level 2 and level 3 investments.

As at 31 December 2017, two listed equity investments held by the Sub-Fund amounted to HKD840,440, represented 0.08% of the net asset value of the Sub-Fund, were suspended for trading and all were due to their business restructuring. One of the suspended investments amounted to HKD397,160 was classified as level 2. All of the suspended investments held by the Sub-Fund as at 31 December 2017 have resumed trading during the year ended 31 December 2018.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or do not trade. As at 31 December 2017, the level 3 investments consist of one listed equity investment amounted to HKD443,280.

During the year ended 31 December 2018, the equity investment of HKD443,280 have been transferred from level 3 to level 1 related to securities which were suspended for trading as at 31 December 2017 and have resumed trading during the year ended 31 December 2018.

During the year ended 31 December 2017, the suspended equity investment of HKD397,160 has been transferred from level 1 to level 2 and classified as level 2 investment as at 31 December 2017.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year.

The following table presents the movements in level 3 investments of the Sub-Fund for the year ended 31 December 2018 and the period from 6 December 2016 (date of inception) to 31 December 2017:

	2018 <i>HKD</i>	2017 <i>HKD</i>
Opening balance	443,280	-
Purchase	-	437,012
Transfer from level 3 to level 1	(443,280)	-
Net gains recognised in statement of comprehensive income	-	6,268
	<hr/>	<hr/>
Closing balance	-	443,280
	<hr/> <hr/>	<hr/> <hr/>
Change in unrealised gains or losses for level 3 assets held at year end and included in the statement of comprehensive income at the end of the year	-	6,268
	<hr/> <hr/>	<hr/> <hr/>

The following table presents level 3 investments of the Sub-Fund as at 31 December 2017:

As at 31 December 2017

<u>Type of security</u>	<u>Reason for suspension</u>	<u>% of NAV</u>
Listed equity	Business restructuring	0.04%

The assets and liabilities included in the 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.

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

9. DISTRIBUTION

	2018 <i>HKD</i>	2017 <i>HKD</i>
Final Distribution		
HKD 0.77 per unit on 13,600,000 units (2017: HKD 0.98 per unit on 13,100,000 units)	<u>10,472,000</u>	<u>12,838,000</u>

The final distribution of HKD 0.77 (2017: HKD 0.98) per unit on 13,600,000 (2017: 13,100,000) units outstanding on the ex-dividend date 14 December 2018 (2017: 18 December 2017) was paid on 27 December 2018 (2017: 29 December 2017).

10. FINANCIAL INSTRUMENTS BY CATEGORY

As of 31 December 2018 and 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, dividend receivable, amounts due from brokers and bank balances are categorised as 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

The SFC Code 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 year ended 31 December 2018 and the period from 6 December 2016 (date of inception) to 31 December 2017.

There was 1 constituent security (2017: 1) that individually accounted for more than 10% of the net asset value of the Sub-Fund and their respective weightings of the S&P New China Sectors Index as at 31 December 2018 and 2017.

As at 31 December 2018

	Weighting in index (%)	% of Net asset value
Hong Kong		
TENCENT HOLDINGS LTD	10.25%	10.15%

As at 31 December 2017

	Weighting in index (%)	% of Net asset value
Hong Kong		
TENCENT HOLDINGS LTD	10.42%	10.41%

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

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

During the year ended 31 December 2018, the S&P New China Sectors Index decreased by 23.30% (2017: increased by 57.94%) while the net asset value per unit of the Sub-Fund decreased by 24.60% (2017: increased by 51.67%)

12. SOFT COMMISSION ARRANGEMENT

The Manager has entered into soft commission arrangements during the year ended 31 December 2018 and the period from 6 December 2016 (date of inception) to 31 December 2017 with a broker 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 S&P New China Sectors Index and invest in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

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

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund's income is derived from investments in securities which constitute S&P New China Sectors Index, the tracked index.

The total of non-current assets of the Sub-Fund located in PRC is HKD15,938 (2017: HKD16,796). The Sub-Fund has no other assets classified as non-current assets. As at 31 December 2018 and 2017, the Sub-Fund has a diversified portfolio of investments and one (2017: one) investment accounts for more than 10% of the Sub-Fund's net asset value.

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustee and the Manager on 29 April 2019.

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2018

	Holdings	Fair value HKD	% of net assets
Investments (99.06%)			
Listed equities (99.06%)			
China (27.51%)			
AISINO CO LTD ORD CNY1	100,300	2,613,655	0.34
BEIJING TONGRENTANG CO ORD CNY1	60,060	1,880,267	0.24
CHANGCHUN HIGH & NEW TECHNOLOGY INDUSTRIES INC ORD CNY1	12,100	2,410,599	0.31
CHINA EASTERN AIRLINES CO ORD CNY1	429,800	2,324,136	0.30
CHINA INTERNATIONAL TRAVEL SERVICE ORD CNY1	60,700	4,159,936	0.53
CHINA NATIONAL NUCLEAR POWER CO LTD CHINA CONNECT ORD CNY1	426,300	2,557,569	0.33
CHINA UNITED NETWORK ORD CNY1	708,300	4,168,783	0.54
CHINA YANGTZE POWER CO LTD ORD CNY1	662,786	11,981,889	1.54
DAQIN RAILWAY CO LTD ORD CNY1	515,700	4,831,683	0.62
DONG-E-E-JIAO CO LTD ORD CNY1	37,000	1,665,903	0.21
FOSHAN HAITIAN FLAV & FOOD CO LTD ORD CNY1	44,515	3,486,553	0.45
FUYAO GROUP GLASS INDUSTRY ORD CNY1	113,460	2,942,375	0.38
GD POWER DEVELOPMENT CO ORD CNY1	968,700	2,823,129	0.36
GREE ELECTRIC APPLIANCES INC OF ZHUHAIY ORD CNY1	395,400	16,065,147	2.07
HAINAN AIRLINES CO LTD A SHRS ORD CNY1	1,065,600	2,280,624	0.29
HENAN SHUANGHUI INVESTMENT A SHRS ORD CNY1	81,341	2,184,434	0.28
HENGTONG OPTICELECTRIC CO ORD CNY1	109,540	2,126,173	0.27
HUADIAN POWER INTL CORP ORD CNY1	260,400	1,408,108	0.18
HUADONG MEDICINE CO LTD ORD CNY1	55,970	1,685,957	0.22
HUALAN BIOLOGICAL ENGINEER ORD CNY1	44,900	1,676,570	0.21
HUAYU AUTOMOTIVE SYSTEMS ORD CNY1	121,000	2,534,572	0.33
HUNDSUN TECHNOLOGIES INC ORD CNY1	40,600	2,402,502	0.31
IFLYTEK CO LTD ORD CNY1	131,950	3,701,277	0.48
INNER MONGOLIA YILI INDUS ORD CNY1	405,190	10,553,979	1.36
JIANGSU HENGRUI MEDICINE C ORD CNY1	151,223	9,081,170	1.17
JIANGSU YANGHE BREWERY ORD CNY1	53,800	5,801,302	0.75
JINYU BIO-TECHNOLOGY CO LT-A ORD CNY1	90,830	1,716,481	0.22
JONJEE HIGHTECH INDUSTRIA ORD CNY1	63,300	2,122,941	0.27
KANGMEI PHARMACEUTICAL CO ORD CNY1	249,800	2,619,109	0.34
KWEICHOW MOUTAI CO LTD ORD CNY1	36,694	24,646,537	3.17
LUZHOU LAOJIAO CO LTD ORD CNY1	60,200	2,786,540	0.36
MEINIAN ONEHEALTH HEALTHCARE HOLDINGS CO LTD A SHRS ORD CNY1	119,740	2,037,896	0.26
MIDEA GROUP CO LTD ORD CNY1	348,900	14,640,563	1.88
QINGDAO HAIER CO LTD ORD CNY1	311,600	4,913,022	0.63
SAIC MOTOR CORP LTD ORD CNY1	298,600	9,065,971	1.17
SDIC POWER HOLDINGS CO LTD ORD CNY1	266,424	2,441,579	0.31

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

INVESTMENT PORTFOLIO (Unaudited) (Continued)
As at 31 December 2018

	Holdings	Fair value HKD	% of net assets
Investments (99.06%) (Continued)			
Listed equities (99.06%) (Continued)			
China (27.51%) (Continued)			
SHANGHAI INTERNATIONAL AIR ORD CNY1	49,318	2,849,893	0.37
SHANGHAI ORIENTAL PEARL MEDIA CO LTD ORD CNY1	169,317	1,973,795	0.25
SHENZHEN OVERSEAS CHINESE TOWN CO LTD ORD CNY1	277,100	2,003,142	0.26
SICHUAN KELUN PHARMACEUTICAL ORD CNY1	72,300	1,699,651	0.22
SUNING COMMERCE GROUP CO ORD CNY1	263,500	2,954,734	0.38
TASLY PHARMACEUTICAL GROUP ORD CNY1	76,060	1,662,490	0.21
TCL CORP ORD CNY1	977,300	2,725,809	0.35
TSINGTAO BREWERY CO LTD ORD CNY1	26,800	1,063,564	0.14
WANDA FILM HOLDING CO LTD ORD CNY1*	50	1,243	0.00
WULIANGYE YIBIN CO LTD A SHRS ORD CNY1	152,300	8,821,623	1.13
YONGHUI SUPERSTORES CO LTD ORD CNY1	314,686	2,819,380	0.36
YONYOU NETWORK TECHNOLOGY CO LTD ORD CNY1	91,800	2,225,993	0.29
YUNNAN BAIYAO GROUP CO LTD ORD CNY1	35,200	2,963,746	0.38
ZHANGZHOU PIENZEHUANG PHA ORD CNY1	20,900	2,061,657	0.26
ZHEJIANG CENTURY HUATONG GROUP CO LTD ORD CNY1	76,800	1,805,439	0.23
		<hr/>	
		213,971,090	<hr/> 27.51 <hr/>
Hong Kong (48.53%)			
AIA GROUP LTD ORD USD1	1,102,600	71,669,000	9.22
AIR CHINA LTD SHS H ORD CNY1	174,000	1,186,680	0.15
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD ORD HKD0.01	330,000	2,095,500	0.27
ANTA SPORTS PRODUCTS LTD ORD HKD0.1	81,000	3,041,550	0.39
BRILLIANCE CHINA AUTOMOTIVE ORD USD0.01	268,000	1,562,440	0.20
BYD CO LTD H SHRS ORD CNY1	56,000	2,797,200	0.36
CHINA EVERBRIGHT INTERNATIONAL LTD ORD HKD0.1	331,000	2,323,620	0.30
CHINA LIFE INSURANCE CO H ORD CNY1	680,000	11,315,200	1.46
CHINA MENGNIU DAIRY CO LTD ORD HKD0.1	247,000	6,026,800	0.78
CHINA MOBILE LTD ORD HKD0.1	505,000	38,051,750	4.89
CHINA PACIFIC INSURANCE GROUP CO LTD H SHS ORD CNY1	235,600	5,972,460	0.77
CHINA RESOURCES BEER HOLDINGS CO LTD ORD NPV	128,000	3,500,800	0.45
CHINA RESOURCES POWER HOLDINGS CO LTD ORD HKD1	162,000	2,439,720	0.31
CHINA SOUTHERN AIRLINES CO LTD H SHRS CNY1	180,000	873,000	0.11

*Amount smaller than 0.01%

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

INVESTMENT PORTFOLIO (Unaudited) (Continued)
As at 31 December 2018

	Holdings	Fair value HKD	% of net assets
Investments (99.06%) (Continued)			
Listed equities (99.06%) (Continued)			
Hong Kong (48.53%) (Continued)			
CHINA TAIPING INSURANCE HOLDINGS CO LTD ORD NPV	131,200	2,820,800	0.36
CHINA TELECOM CORP LTD H SHRS ORD CNY1	1,268,000	5,072,000	0.65
CHINA UNICOM (HONG KONG) ORD HKD0.1	530,000	4,430,800	0.57
CSPC PHARMACEUTICAL GROUP LTD ORD NPV	428,000	4,836,400	0.62
DONGFENG MOTOR GROUP CO LTD H SHR ORD CNY1	240,000	1,704,000	0.22
EVERGRANDE HEALTH INDUSTRY GROUP LTD ORD NPV	195,000	2,008,500	0.26
GALAXY ENTERTAINMENT GROUP LTD ORD NPV	229,000	11,404,200	1.47
GEELY AUTOMOBILE HOLDINGS LTD ORD HKD0.02	508,000	7,010,400	0.90
GREAT WALL MOTOR COMPANY LTD H SHRS ORD CNY1	283,000	1,270,670	0.16
GUANGZHOU AUTOMOBILE GROUP CO LTD H SHR ORD CNY1	257,600	2,011,856	0.26
GUANGZHOU PHARMACEUTICAL HOLDINGS CO LTD H SHRS ORD CNY1	20,000	561,000	0.07
HAIER ELECTRONICS GROUP CO LTD ORD HKD0.1	113,000	2,176,380	0.28
HENGAN INTERNATIONAL GROUP CO LTD ORD HKD0.1	67,000	3,819,000	0.49
HKT TRUST AND HKT LTD SHARE STAPLED UNIT	332,000	3,744,960	0.48
HUANENG POWER INTERNATIONAL INC H SHRS ORD CNY1	386,000	1,922,280	0.25
MTR CORP LTD ORD NPV	145,000	5,974,000	0.77
NEW CHINA LIFE INSURANCE CO LTD H SHR ORD CNY1	72,700	2,260,970	0.29
PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LTD H SHS ORD CNY1	645,000	2,031,750	0.26
PICC PROPERTY AND CASUALTY CO LTD H SHRS ORD CNY1	629,000	5,038,290	0.65
PING AN INSURANCE (GROUP) CO OF CHINA LTD H SHR COM CNY1	462,500	31,981,875	4.11
SANDS CHINA LTD ORD USD0.01	221,200	7,587,160	0.98
SHANGHAI FOSUN PHARMACEUTICAL GROUP CO LTD H SHRS ORD CNY1	41,500	954,500	0.12
SHANGHAI PHARMACEUTICALS HOLDING CO LTD H SHR ORD CNY1	78,100	1,243,352	0.16
SHENZHOU INTERNATIONAL GROUP ORD HKD0.1	66,000	5,857,500	0.75
SINO BIOPHARMACEUTICAL LTD ORD HKD0.025	589,000	3,039,240	0.39
SINOPHARM GROUP CO H SHR ORD CNY1	108,800	3,579,520	0.46
TECHTRONIC INDUSTRIES CO LTD ORD HKD NPV	134,000	5,574,400	0.72
TENCENT HOLDINGS LTD ORD HKD0.00002	251,400	78,939,600	10.15
WANT WANT CHINA HOLDINGS LTD ORD USD0.02	580,000	3,178,400	0.41

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

INVESTMENT PORTFOLIO (Unaudited) (Continued)
As at 31 December 2018

	Holdings	Fair value HKD	% of net assets
Investments (99.06%) (Continued)			
Listed equities (99.06%) (Continued)			
Hong Kong (48.53%) (Continued)			
WH GROUP LTD ORD USD0.0001	857,500	5,170,725	0.67
WUXI BIOLOGICS CAYMAN INC ORD USD0.000025	40,500	2,031,075	0.26
WYNN MACAU LTD ORD HKD0.001	132,800	2,268,224	0.29
XINYI GLASS HLDGS CO LTD ORD HKD0.1	230,000	1,991,800	0.26
ZTE CORPORATION H ORD CNY1	69,200	1,024,160	0.13
		<hr/>	
		377,375,507	48.53
		<hr/>	
USA (23.02%)			
58.COM INC ADR	8,199	3,481,716	0.45
ALIBABA GROUP HOLDING LTD ORD	67,298	72,259,948	9.29
AUTOHOME INC-A COM USD0.01 1 ADR REPS 1SHRS	5,040	3,088,566	0.40
BAIDU INC ADR USD0.00005	25,400	31,556,583	4.06
BEIGENE LTD ADR (1 ADR REPS 2 SHS)	4,517	4,962,917	0.64
CTRIIP.COM INTL LTD ADR (1 ADR REPS 0.125 ORD SHRS)	34,859	7,389,172	0.95
HUAZHU GROUP LTD ADR (1 ADR RE 4 SHS) (FORMERLY KNOWN AS CHINA LODGING GROUP LTD ADR (1 ADR RE 4 SHS))	9,583	2,149,196	0.27
IQIYI INC ADR (1 ADR REPS 7 ORD SHS)	11,311	1,317,544	0.17
JD.COM INC ADR	74,778	12,260,160	1.57
MELCO RESORTS & ENTERTAINMENT LTD	21,921	3,025,655	0.39
MOMO INC (1 ADR REPS 2 EQ SHRS)	12,931	2,405,741	0.31
NETEASE INC ADR USD0.0001	6,717	12,384,530	1.59
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP ADR COM USD0.1	10,687	4,588,478	0.59
SINA CORP COM USD0.133	5,744	2,413,550	0.31
TAL EDUCATION GROUP ADR	32,443	6,780,472	0.87
WEIBO CORP SPON ORD USD0.00025	5,765	2,638,689	0.34
YY INC ADR USD0.00001 (1 ADR REPS 20 ORD SHRS)	4,411	2,068,363	0.27
ZTO EXPRESS CAYMAN INC-ADR (1 ADR REPS 1 ORD SHS)	34,327	4,256,669	0.55
		<hr/>	
		179,027,949	23.02
		<hr/>	
Total investments		770,374,546	99.06
Other net assets		7,291,916	0.94
		<hr/>	
Net assets attributable to unitholders at 31 December 2018		777,666,462	100.00
		<hr/> <hr/>	
Total investments, at cost		910,342,479	
		<hr/> <hr/>	

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the year ended 31 December 2018

	Holdings				
	1 January 2018	Additions	Corporate actions	Disposals	31 December 2018
Investments					
Listed equities					
3SBIO INC ORD USD0.001	-	113,000	-	113,000	-
58.COM INC ADR	7,770	1,530	-	1,101	8,199
AIA GROUP LTD ORD USD1	1,052,400	218,600	-	168,400	1,102,600
AIR CHINA LTD SHS H ORD CNY1	168,000	62,000	-	56,000	174,000
AISINO CO LTD ORD CNY1	97,400	17,200	-	14,300	100,300
ALIBABA GROUP HOLDING LTD ORD	69,077	11,546	-	13,325	67,298
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD ORD HKD0.01	-	330,000	-	-	330,000
ANHUI KOUZI DISTILLERY CO LTD ORD CNY1	-	24,900	-	24,900	-
ANTA SPORTS PRODUCTS LTD ORD HKD0.1	101,000	22,000	-	42,000	81,000
AUTOHOME INC-A COM USD0.01 1 ADR REPS 1SHRS	4,747	958	-	665	5,040
BAIDU INC ADR USD0.00005	23,871	5,286	-	3,757	25,400
BEIGENE LTD ADR (1 ADR REPS 2 SHS)	3,214	1,830	-	527	4,517
BEIJING ORIENT LANDSCAPE ORD CNY1	100,500	17,600	-	118,100	-
BEIJING SL PHARMACEUTICAL ORD CNY1	-	36,500	-	36,500	-
BEIJING TONGRENTANG CO ORD CNY1	57,360	10,600	-	7,900	60,060
BRILLIANCE CHINA AUTOMOTIVE ORD USD0.01	256,000	56,000	-	44,000	268,000
BYD CO LTD H SHRS ORD CNY1	60,000	11,000	-	15,000	56,000
CGN POWER CO LTD H SHRS ORD CNY1	885,000	154,000	-	1,039,000	-
CHANGCHUN HIGH & NEW TECHNOLOGY INDUSTRIES INC ORD CNY1	11,600	2,900	-	2,400	12,100

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the year ended 31 December 2018

	Holdings				
	1 January 2018	Additions	Corporate actions	Disposals	31 December 2018
Investments (Continued)					
Listed equities (Continued)					
CHINA EASTERN AIRLINES CO ORD CNY1	-	429,800	-	-	429,800
CHINA EASTERN AIRLINES H SHRS CNY1	138,000	44,000	-	182,000	-
CHINA EVERBRIGHT INTERNATIONAL LTD NIL PAID RTS 13/09/2018	-	-	93,704	93,704	-
CHINA EVERBRIGHT INTERNATIONAL LTD ORD HKD0.1	231,000	148,000	-	48,000	331,000
CHINA FIRST CAPITAL GROUP LTD ORD HKD0.1	-	298,000	-	298,000	-
CHINA GRAND AUTOMOTIVE SERVICES CO A SHS ORD CNY1	199,311	33,000	-	232,311	-
CHINA INTERNATIONAL TRAVEL SERVICE ORD CNY1	66,400	11,000	-	16,700	60,700
CHINA LIFE INSURANCE CO H ORD CNY1	649,000	140,000	-	109,000	680,000
CHINA LONGYUAN POWER GROUP CORP H SHR ORD CNY1	-	307,000	-	307,000	-
CHINA MEDICAL SYSTEM HOLDINGS LTD ORD USD0.005	117,000	22,000	-	139,000	-
CHINA MENGNIU DAIRY CO LTD ORD HKD0.1	236,000	57,000	-	46,000	247,000
CHINA MOBILE LTD ORD HKD0.1	482,000	99,000	-	76,000	505,000
CHINA NATIONAL NUCLEAR POWER CO LTD CHINA CONNECT ORD CNY1	366,300	117,000	-	57,000	426,300
CHINA PACIFIC INSURANCE GROUP CO LTD H SHS ORD CNY1	242,000	40,400	-	46,800	235,600
CHINA REFORM HEALTH MANAGEMENT AND SERVICES GROUP CO LTD ORD CNY1 (FORMERLY KNOWN AS SEARAINBOW HOLDING CORP)	53,300	21,600	-	74,900	-

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the year ended 31 December 2018

	Holdings				
	1 January 2018	Additions	Corporate actions	Disposals	31 December 2018
Investments (Continued)					
Listed equities (Continued)					
CHINA RESOURCES BEER HOLDINGS CO LTD ORD NPV	136,000	52,000	-	60,000	128,000
CHINA RESOURCES PHARMACEUTICAL GROUP LTD ORD HKD1	-	161,500	-	161,500	-
CHINA RESOURCES POWER HOLDINGS CO LTD ORD HKD1	156,000	64,000	-	58,000	162,000
CHINA SOUTHERN AIRLINES CO LTD H SHRS CNY1	174,000	62,000	-	56,000	180,000
CHINA TAIPING INSURANCE HOLDINGS CO LTD ORD NPV	125,400	28,200	-	22,400	131,200
CHINA TELECOM CORP LTD H SHRS ORD CNY1	1,210,000	254,000	-	196,000	1,268,000
CHINA UNICOM (HONG KONG) ORD HKD0.1	522,000	88,000	-	80,000	530,000
CHINA UNITED NETWORK ORD CNY1	685,200	131,300	-	108,200	708,300
CHINA YANGTZE POWER CO LTD ORD CNY1	632,786	129,500	-	99,500	662,786
CHONGQING CHANGAN AUTOMOBILE CO LTD A SHR ORD CNY1	170,000	70,900	-	240,900	-
CITIC GUOAN INFORMATION INDUSTRY CO A SHS	208,400	35,200	-	243,600	-
CSPC PHARMACEUTICAL GROUP LTD ORD NPV	374,000	88,000	-	34,000	428,000
CTRIIP.COM INTL LTD ADR (1 ADR REPS 0.125 ORD SHRS)	35,145	5,810	-	6,096	34,859

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the year ended 31 December 2018

	Holdings				
	1 January 2018	Additions	Corporate actions	Disposals	31 December 2018
Investments (Continued)					
Listed equities (Continued)					
DAQIN RAILWAY CO LTD ORD CNY1	492,400	101,600	-	78,300	515,700
DHC SOFTWARE CO LTD A SHS ORD CNY1	158,700	61,200	-	219,900	-
DONG-E-E-JIAO CO LTD ORD CNY1 (FORMERLY KNOWN AS SHANDONG DONG-E E-JIAO CO LTD A SHR ORD CNY1)	43,900	17,100	-	24,000	37,000
DONGFENG MOTOR GROUP CO LTD H SHR ORD CNY1	248,000	44,000	-	52,000	240,000
DR PENG TELECOM & MEDIA GRP CO LTD ORD CNY1	111,100	17,600	-	128,700	-
EVERGRANDE HEALTH INDUSTRY GROUP LTD ORD NPV	-	195,000	-	-	195,000
FIBERHOME TELECOM TECH CO ORD CNY1	47,600	8,800	-	56,400	-
FOSHAN HAITIAN FLAV & FOOD CO LTD ORD CNY1	54,200	8,715	-	18,400	44,515
FUYAO GROUP GLASS INDUSTR ORD CNY1	116,960	19,800	-	23,300	113,460
GALAXY ENTERTAINMENT GROUP LTD ORD NPV	228,000	47,000	-	46,000	229,000
GD POWER DEVELOPMENT CO ORD CNY1	924,900	190,200	-	146,400	968,700
GEELY AUTOMOBILE HOLDINGS LTD ORD HKD0.02	437,000	136,000	-	65,000	508,000
GLOBAL TOP ECOMMERCE CO ORD CNY1	-	93,900	-	93,900	-
GREAT WALL MOTOR COMPANY LTD H SHRS ORD CNY1	270,000	56,500	-	43,500	283,000

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the year ended 31 December 2018

	Holdings				
	Corporate				
	1 January 2018	Additions	actions	Disposals	31 December 2018
Investments (Continued)					
Listed equities (Continued)					
GREE ELECTRIC APPLIANCES INC OF ZHUHAIY ORD CNY1	377,500	168,600	-	150,700	395,400
GUANGSHEN RAILWAY CO LTD ORD CNY1	261,100	44,000	-	305,100	-
GUANGZHOU AUTOMOBILE GROUP CO LTD H SHR ORD CNY1	176,000	58,000	81,600	58,000	257,600
GUANGZHOU BAIYUN INTERNATI ORD CNY1	-	102,200	-	102,200	-
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS LTD ORD CNY1	10,300	38,200	-	48,500	-
GUANGZHOU PHARMACEUTICAL HOLDINGS CO LTD H SHRS ORD CNY1	-	22,000	-	2,000	20,000
HAIER ELECTRONICS GROUP CO LTD ORD HKD0.1	107,000	30,000	-	24,000	113,000
HAINAN AIRLINES CO LTD ORD CNY1	601,700	528,300	-	64,400	1,065,600
HANGZHOU ROBAM APPLIANCES CO LTD ORD CNY1	38,850	6,600	-	45,450	-
HENAN SHUANGHUI INVESTMENT A SHRS ORD CNY1	77,700	35,341	-	31,700	81,341
HENGAN INTERNATIONAL GROUP CO LTD ORD HKD0.1	63,000	15,000	-	11,000	67,000
HENGTONG OPTICELECTRIC CO ORD CNY1	53,000	36,300	33,840	13,600	109,540

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the year ended 31 December 2018

	Holdings				
	1 January 2018	Additions	Corporate actions	Disposals	31 December 2018
Investments (Continued)					
Listed equities (Continued)					
HKT TRUST AND HKT LTD SHARE STAPLED UNIT	244,000	133,000	-	45,000	332,000
HLA CORP LTD ORD CNY1	-	119,800	-	119,800	-
HUADIAN POWER INTL CORP ORD CNY1	-	291,000	-	30,600	260,400
HUADONG MEDICINE CO LTD ORD CNY1	35,580	8,900	21,090	9,600	55,970
HUALAN BIOLOGICAL ENGINEER ORD CNY1	-	50,000	-	5,100	44,900
HUANENG POWER INTERNATIONAL INC H SHRS ORD CNY1	368,000	64,000	-	46,000	386,000
HUAWEN MEDIA GROUP ORD CNY1	160,000	22,900	-	182,900	-
HUAYU AUTOMOTIVE SYSTEMS ORD CNY1	115,400	25,300	-	19,700	121,000
HUAZHU GROUP LTD ADR (1 ADR RE 4 SHS) (FORMERLY KNOWN AS CHINA LODGING GROUP LTD ADR (1 ADR RE 4 SHS))	2,409	396	8,415	1,637	9,583
HUNDSUN TECHNOLOGIES INC ORD CNY1	38,200	8,400	-	6,000	40,600
IFLYTEK CO LTD ORD CNY1	82,300	20,500	47,750	18,600	131,950
INNER MONGOLIA YILI INDUS ORD CNY1	397,390	71,400	-	63,600	405,190
IQIYI INC ADR (1 ADR REPS 7 ORD SHS)	-	11,311	-	-	11,311
JD.COM INC ADR	67,600	17,873	-	10,695	74,778
JIANGSU HENGRUI MEDICINE C ORD CNY1	105,572	29,400	36,951	20,700	151,223
JIANGSU YANGHE BREWERY ORD CNY1	49,900	24,800	-	20,900	53,800
JILIN AODONG MEDICINE INDUSTRY GROUPS CO LTD A SHS ORD CNY1	73,980	30,900	-	104,880	-

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the year ended 31 December 2018

	1 January 2018	Additions	Holdings Corporate actions	Disposals	31 December 2018
Investments (Continued)					
Listed equities (Continued)					
JINYU BIO-TECHNOLOGY CO LT-A ORD CNY1	62,700	19,600	21,330	12,800	90,830
JONJEE HIGHTECH INDUSTRIA ORD CNY1	-	70,100	-	6,800	63,300
KANGMEI PHARMACEUTICAL CO ORD CNY1	245,800	40,500	-	36,500	249,800
KINGSOFT CORP LTD ORD USD0.0005	89,000	24,000	-	113,000	-
KWEICHOW MOUTAI CO LTD ORD CNY1	34,994	8,700	-	7,000	36,694
LI & FUNG LTD ORD HKD0.0125	532,000	88,000	-	620,000	-
LIAONING CHENG DA CO LTD ORD CNY1	101,238	17,600	-	118,838	-
LIVZON PHARMACEUTICAL GROUP INC ORD CNY1	-	17,300	5,190	22,490	-
LUONIUSHAN CO LTD ORD CNY1	-	95,600	-	95,600	-
LUZHOU LAOJIAO CO LTD ORD CNY1	56,200	25,700	-	21,700	60,200
MEINIAN ONEHEALTH HEALTHCARE HOLDINGS CO LTD A SHRS ORD CNY1	98,700	16,000	22,940	17,900	119,740
MELCO INTERNATIONAL DEVELOPMENT LTD ORD NPV	-	142,000	-	142,000	-
MELCO RESORTS & ENTERTAINMENT LTD	15,628	8,756	-	2,463	21,921
MIDEA GROUP CO LTD ORD CNY1	328,100	132,200	-	111,400	348,900
MINTH GROUP LTD ORD HKD0.1	60,000	10,000	-	70,000	-

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the year ended 31 December 2018

	Holdings				
	1 January 2018	Additions	Corporate actions	Disposals	31 December 2018
Investments (Continued)					
Listed equities (Continued)					
MOMO INC (1 ADR REPS 2 EQ SHRS)	-	13,645	-	714	12,931
MTR CORP LTD ORD NPV	131,000	35,500	-	21,500	145,000
NANJING XINJIEKOU DEPT ORD CNY1	10,800	44,100	-	54,900	-
NAVINFO CO LTD ORD CNY1	66,000	10,000	-	76,000	-
NETEASE INC ADR USD0.0001	6,472	1,287	-	1,042	6,717
NEW CHINA LIFE INSURANCE CO LTD H SHR ORD CNY1	63,100	20,700	-	11,100	72,700
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP ADR COM USD0.1	11,322	1,876	-	2,511	10,687
PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LTD H SHS ORD CNY1	608,000	150,000	-	113,000	645,000
PICC PROPERTY AND CASUALTY CO LTD H SHRS ORD CNY1	400,000	84,000	227,000	82,000	629,000
PING AN INSURANCE (GROUP) CO OF CHINA LTD H SHR COM CNY1	441,500	98,500	-	77,500	462,500
PRIORITY FOR JILIN AODONG NIL PAID RTS 13/03/2018	-	-	36,700	36,700	-
QINGDAO HAIER CO LTD ORD CNY1	292,300	66,100	-	46,800	311,600
SAIC MOTOR CORP LTD ORD CNY1	244,400	92,400	-	38,200	298,600
SANDS CHINA LTD ORD USD0.01	211,200	44,400	-	34,400	221,200
SDIC POWER HOLDINGS CO LTD ORD CNY1	278,024	46,200	-	57,800	266,424
SHANGHAI FOSUN PHARMACEUTICAL GROUP CO LTD H SHRS ORD CNY1	32,500	10,000	-	1,000	41,500

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the year ended 31 December 2018

	Holdings				
	1 January 2018	Additions	Corporate actions	Disposals	31 December 2018
Investments (Continued)					
Listed equities (Continued)					
SHANGHAI INTERNATIONAL AIR ORD CNY1	50,418	8,800	-	9,900	49,318
SHANGHAI JAHWA UNITED CO LTD A SHR ORD CNY1	42,223	6,600	-	48,823	-
SHANGHAI JAHWA UNITED CO LTD ORD CNY1	-	47,800	-	47,800	-
SHANGHAI ORIENTAL PEARL MEDIA CO LTD ORD CNY1	149,667	24,200	49,550	54,100	169,317
SHANGHAI PHARMACEUTICALS HOLDING CO LTD H SHR ORD CNY1	60,700	26,700	-	9,300	78,100
SHANGHAI RAAS BLOOD PRODUC ORD CNY1	73,557	3,600	-	77,157	-
SHANXI XINGHUACUN FEN WINE ORD CNY1	-	25,700	-	25,700	-
SHENZHEN OVERSEAS CHINESE TOWN CO LTD ORD CNY1	264,600	118,600	-	106,100	277,100
SHENZHOU INTERNATIONAL GROUP ORD HKD0.1	57,000	11,000	-	2,000	66,000
SICHUAN CHUAN TOU ENERGY CO ORD CNY1	188,000	30,800	-	218,800	-
SICHUAN KELUN PHARMACEUTICAL ORD CNY1	-	79,100	-	6,800	72,300
SINA CORP COM USD0.133	5,167	1,384	-	807	5,744
SINO BIOPHARMACEUTICAL LTD ORD HKD0.025	394,000	86,000	230,000	121,000	589,000
SINOPHARM GROUP CO H SHR ORD CNY1	104,000	22,000	-	17,200	108,800
SJM HOLDINGS LIMITED ORD HKD1	-	212,000	-	212,000	-

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the year ended 31 December 2018

	Holdings				
	Corporate				
	1 January 2018	Additions	actions	Disposals	31 December 2018
Investments (Continued)					
Listed equities (Continued)					
SUN ART RETAIL GROUP LTD ORD NPV	-	217,000	-	217,000	-
SUNING COMMERCE GROUP CO ORD CNY1	259,700	111,900	-	108,100	263,500
SUOFEIYA HOME COLLECTION CO LTD ORD CNY1	41,892	6,600	-	48,492	-
TAL EDUCATION GROUP ADR	24,353	11,322	-	3,232	32,443
TASLY PHARMACEUTICAL GROUP ORD CNY1	47,100	18,600	22,360	12,000	76,060
TCL CORP ORD CNY1	692,000	566,400	-	281,100	977,300
TECHTRONIC INDUSTRIES CO LTD ORD HKD NPV	131,000	24,500	-	21,500	134,000
TENCENT HOLDINGS LTD ORD HKD0.00002	254,600	294,000	-	297,200	251,400
TINGYI (CAYMAN ISLANDS) HOLDINGS CORP ORD USD0.005	162,000	44,000	-	206,000	-
TONGHUA DONGBAO PHARMACEUT ORD CNY1	98,196	15,400	22,719	136,315	-
TRAVELSKY TECHNOLOGY LTD H SHRS CNY1	81,000	22,000	-	103,000	-
TSINGTAO BREWERY CO LTD H SHRS ORD ORD CNY1	-	34,000	-	34,000	-
TSINGTAO BREWERY CO LTD ORD CNY1	24,900	31,200	-	29,300	26,800
TUS SOUND ENVIRONMEN RES A SHRS ORD CNY1	48,100	8,000	22,440	78,540	-
VIPSHOP HOLDINGS LTD- ADR COM USD0.0001	33,037	5,458	-	38,495	-
WANDA FILM HOLDING CO LTD ORD CNY1	7,100	48,900	3,550	59,500	50

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the year ended 31 December 2018

	Holdings				
	1 January 2018	Additions	Corporate actions	Disposals	31 December 2018
Investments (Continued)					
Listed equities (Continued)					
WANT WANT CHINA HOLDINGS LTD ORD USD0.02	556,000	113,000	-	89,000	580,000
WEIBO CORP SPON ORD USD0.00025	4,378	1,965	-	578	5,765
WH GROUP LTD ORD USD0.0001	613,000	340,500	-	96,000	857,500
WULIANGYE YIBIN CO LTD A SHRS ORD CNY1	145,600	65,100	-	58,400	152,300
WUXI BIOLOGICS CAYMAN INC ORD USD0.000025	-	40,500	-	-	40,500
WUXI LITTLE SWAN CO LTD ORD CNY1	-	19,600	-	19,600	-
WYNN MACAU LTD ORD HKD0.001	126,800	24,000	-	18,000	132,800
XINYI GLASS HLDGS CO LTD ORD HKD0.1	220,000	58,000	-	48,000	230,000
YONGHUI SUPERSTORES CO LTD ORD CNY1	283,600	75,786	-	44,700	314,686
YONYOU NETWORK TECHNOLOGY CO LTD ORD CNY1	71,456	116,300	24,737	120,693	91,800
YUAN LONGPING HIGHTECH AG ORD CNY1	62,400	10,000	-	72,400	-
YUE YUEN INDUSTRIAL HLDGS LTD ORD HKD0.25	62,000	11,000	-	73,000	-
YUNNAN BAIYAO GROUP CO LTD ORD CNY1	33,600	7,100	-	5,500	35,200
YY INC ADR USD0.00001 (1 ADR REPS 20 ORD SHRS)	3,712	1,218	-	519	4,411
ZHANGZHOU PIENTZEHUANG PHA ORD CNY1	-	22,600	-	1,700	20,900

ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the year ended 31 December 2018

	Holdings				
	Corporate				
	1 January 2018	Additions	actions	Disposals	31 December 2018
Investments (Continued)					
Listed equities (Continued)					
ZHEJIANG CENTURY HUATONG GROUP CO LTD ORD CNY1	-	76,800	-	-	76,800
ZHEJIANG HUAHAI PHARMACEUT ORD CNY1	-	63,000	-	63,000	-
ZHEJIANG NHU CO LTD ORD CNY1	39,900	6,600	32,550	79,050	-
ZHEJIANG WANFENG AUTO ORD CNY1	97,140	4,200	-	101,340	-
ZTE CORPORATION H ORD CNY1	65,800	13,600	-	10,200	69,200
ZTO EXPRESS CAYMAN INC-ADR (1 ADR REPS 1 ORD SHS)	23,352	15,163	-	4,188	34,327

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

PERFORMANCE RECORD (Unaudited)

Net asset value

	Dealing net asset value of the Sub-Fund <i>HKD</i>	Dealing net asset value per unit <i>HKD</i>
At the end of financial year/period ended		
31 December 2018	777,822,504	57.1928
31 December 2017	993,817,816	75.8640

Highest and lowest net asset value per unit

	Highest net asset value per unit <i>HKD</i>	Lowest net asset value per unit <i>HKD</i>
Financial year/period ended		
31 December 2018	83.7372	55.6422
31 December 2017 (Since 6 December 2016 (date of inception))	79.0207	47.1996

Net assets attributable to unitholders per unit

As stated in Note 2(n), 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 31 December 2018, the expensing of establishment costs as stated in the financial statements resulted in a decrease of net assets attributable to unitholders of HKD156,042 (2017: HKD 356,044) when compared with the methodology indicated in the Trust's Prospectus.

	2018 <i>HKD</i>	2017 <i>HKD</i>
Net assets attributable to unitholders as reported in the statement of financial position	777,666,462	993,461,772
Adjustments for unamortised establishment costs	156,042	356,044
Net asset value in accordance with the Trust's Prospectus	<u>777,822,504</u>	<u>993,817,816</u>

**ICBC CSOP S&P NEW CHINA SECTORS ETF
(A SUB-FUND OF CSOP ETF SERIES)**

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