

CICC KraneShares ETF Trust

CICC KraneShares CSI China Internet Index ETF

*Stock Codes: 9186 (USD counter), 83186
(RMB counter), 3186 (HKD counter)*

For the six months ended 30 June 2022

Unaudited Interim Report

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Administration and management

Manager

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*Public Interest Entity Auditor registered in
accordance with the Financial Reporting
Council Ordinance*

Manager's report

CICC KraneShares CSI China Internet Index ETF

Introduction

The CICC KraneShares CSI China Internet Index ETF (the "Sub-Fund"), a sub-fund of the CICC KraneShares ETF Trust (the "Trust"), was launched on 4 April 2018 and commenced trading under the stock codes 3186 for the HKD counter, 9186 for the USD counter and 83186 for the RMB counter on The Stock Exchange of Hong Kong Limited (the "SEHK") on 10 April 2018. The Sub-Fund is a Hong Kong unit trust authorised under the Securities and Futures Ordinance (Cap. 571) of Hong Kong. The Sub-Fund is benchmarked against the CSI Overseas China Internet Index. The manager of the Sub-Fund is China International Capital Corporation Hong Kong Asset Management Limited (the "Manager"), the sub-manager of the Sub-Fund is Krane Funds Advisors, LLC (the "Sub-Manager") and the trustee is Brown Brothers Harriman Trustee Services (Hong Kong) Limited (the "Trustee").

Performance of the Sub-Fund

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the CSI Overseas China Internet Index (the "Index"). There can be no assurance that the Sub-Fund will achieve its investment objective.

The table below illustrates the comparison between the Sub-Fund's performance and that of the Index during the following period:

	YTD	1-month	3-month	6-month	1-year	Inception ¹
Sub-Fund's Total Return (%)	(10.02)%	10.20%	10.71%	(10.02)%	(48.64)%	(38.03)%
Index Benchmark (%)	(9.84)%	10.52%	11.21%	(9.84)%	(49.03)%	(36.56)%
	(0.18)%	(0.32)%	(0.50)%	(0.18)%	0.39%	(1.47)%

¹ Inception date of the Sub-Fund: 4 April 2018

Activities of the Index

The CSI Overseas China Internet Index underwent four reviews during the period. As of 30 June 2022, the Sub-Fund held all constituents in the CSI Overseas China Internet Index.

China International Capital Corporation Hong Kong Asset Management Limited
31 August 2022

Statements of assets and liabilities as at 30 June 2022 and 31 December 2021

	30 June 2022 (Unaudited) USD	31 December 2021 USD
Assets		
Financial assets at fair value through profit or loss	2,294,010	2,569,510
Cash and cash equivalents	1,680	363
Dividend receivables	497	317
Management fee reimbursement receivables	141,375	67,138
Other receivables and prepayments	5,184	2,375
Total assets	2,442,746	2,639,703
Liabilities		
Audit fee payables	(34,795)	(23,258)
Administration fee payables	(36,236)	(12,258)
Trustee and registrar fees payables	(4,301)	(1,840)
Custody fee payables	(11,191)	(3,752)
Transaction costs payables	(5,316)	(1,775)
Other payables and accruals	(28,465)	(15,883)
Total liabilities	(120,304)	(58,766)
Net assets attributable to unitholders	2,322,442	2,580,937
Representing:		
Total equity	2,322,442	2,580,937
Total number of units in issue	375,000	375,000
Net asset value per unit	6.19	6.88

Statements of comprehensive income for the six months ended 30 June 2022 and year ended 31 December 2021

	<i>For the six months ended 30 June 2022 (Unaudited) USD</i>	<i>Year ended 31 December 2021 USD</i>
Income		
Interest income	2	–
Dividend income	9,658	4,504
Other income	–	2,310
Net losses from financial assets at fair value through profit or loss	(259,005)	(1,550,505)
Net foreign exchange losses	(64)	(120)
Total net loss	(249,409)	(1,543,811)
Expenses		
Management fee	(7,930)	(23,713)
Transaction costs	(1,156)	(4,004)
Total operating expenses	(9,086)	(27,717)
Taxation	–	–
Decrease in net assets attributable to unitholders and total comprehensive income for the period	(258,495)	(1,571,528)

Statements of changes in equity for the six months ended 30 June 2022 and year ended 31 December 2021

	<i>For the six months ended 30 June 2022 (Unaudited) USD</i>	<i>Year ended 31 December 2021 USD</i>
Net assets attributable to unitholders at the beginning of the period	2,580,937	5,004,565
Subscription of units	—	1,185,838
Redemption of units	—	(2,037,938)
Decrease in net assets attributable to unitholders and total comprehensive loss for the period	(258,495)	(1,571,528)
Net assets attributable to unitholders at the end of the period	2,322,442	2,580,937
Units issued and redeemed		
Balance at the beginning of the period	375,000	375,000
Subscription of units	—	125,000
Redemption of units	—	(125,000)
Balance at the end of the period	375,000	375,000

Statements of cash flows for the six months ended 30 June 2022 and year ended 31 December 2021

	<i>For six months ended 30 June 2022 (Unaudited) USD</i>	<i>Year ended 31 December 2021 USD</i>
Operating activities		
Decrease in net assets attributable to unitholders and total comprehensive loss for the period	(258,495)	(1,571,528)
Adjustments for:		
Net losses from financial assets at fair value through profit or loss	259,005	1,550,505
Operating gains/(losses) before changes in working capital	510	(21,023)
Purchase of financial assets at fair value through profit or loss	(350,068)	(2,579,680)
Proceeds from sale of financial assets at fair value through profit or loss	366,563	3,434,097
Increase in dividend receivables	(180)	(317)
(Increase)/decrease in management fee reimbursement receivables	(74,237)	10,020
Increase in other receivables and prepayments	(2,809)	(75)
Increase in audit fee payables	11,537	673
Increase/(decrease) in administration fee payables	23,978	(52,181)
Increase/(decrease) in trustee and registrar fees payables	2,461	(4,823)
Increase/(decrease) in custody fee payables	7,439	(16,248)
Increase/(decrease) in transaction costs payables	3,541	(5,000)
Increase/(decrease) in other payables and accruals	12,582	(14,170)
Net cash flows generated from operating activities	1,317	751,273

Statements of cash flows for the six months ended 30 June 2022 and year ended 31 December 2021 (continued)

	<i>For six months ended 30 June 2022 (Unaudited) USD</i>	<i>Year ended 31 December 2021 USD</i>
Cash flows from financing activities		
Proceeds from subscription of units	–	1,185,838
Payment for redemption of units	–	(2,037,938)
	–	(852,100)
Net cash flows used in financing activities	–	(852,100)
Net increase/(decrease) in cash and cash equivalents	1,317	(100,827)
Cash and cash equivalents at the beginning of the period	363	101,190
	1,680	363
Cash and cash equivalents at the end of the period	1,680	363
Analysis of cash and cash equivalents		
Cash at bank	1,680	363
Net cash flows from operating activities include:		
Interest income	2	–
Dividend income	9,478	4,187
Interest expenses	(3)	(14)
	9,477	4,173

Portfolio statement as at 30 June 2022

<i>Investments</i>	<i>Holdings</i>	<i>Fair Value USD</i>	<i>% of Net Assets</i>
Financial assets at fair value through profit or loss			
Listed securities			
Common Stocks			
The United States of America			
Communication Services			
Autohome Inc	722	28,396	1.22%
Hello Group Inc	1,622	8,191	0.35%
HUYA Inc	1,179	4,575	0.20%
iQIYI Inc	3,971	16,678	0.72%
JOYY Inc	529	15,796	0.68%
Kanzhun Ltd	3,354	88,143	3.80%
Tencent Music Entertainment Group	6,567	32,966	1.42%
Weibo Corp	654	15,127	0.65%
Zhihu Inc	5,793	10,370	0.45%
Total Communication Services		220,242	9.49%
Consumer Discretionary			
Dada Nexus Ltd	1,067	8,653	0.37%
Pinduoduo Inc	1,574	97,273	4.19%
TAL Education Group	3,514	17,113	0.74%
Vipshop Holdings Ltd	4,025	39,807	1.71%
Total Consumer Discretionary		162,846	7.01%
Financials			
360 DigiTech Inc	1,030	17,819	0.77%
Lufax Holding Ltd	9,090	54,540	2.35%
Total Financials		72,359	3.12%
Industrials			
Full Truck Alliance Co Ltd	11,505	104,235	4.49%
Total Industrials		104,235	4.49%
Information Technology			
Agora Inc	928	6,097	0.26%
Chindata Group Holdings Ltd	1,899	14,736	0.63%
Kingsoft Cloud Holdings Ltd	1,635	7,276	0.31%
Vnet Group Inc	1,441	8,703	0.38%
Total Information Technology		36,812	1.58%
Real Estate			
KE Holdings Inc	5,710	102,494	4.41%
Total Real Estate		102,494	4.41%
Total The United States of America		698,988	30.10%
Hong Kong			
Communication Services			
Alibaba Pictures Group Ltd	143,000	14,034	0.60%
Baidu Inc	4,958	93,842	4.04%
Bilibili Inc	3,003	76,934	3.31%

Portfolio statement as at 30 June 2022 (continued)

<i>Investments</i>	<i>Holdings</i>	<i>Fair Value USD</i>	<i>% of Net Assets</i>
Financial assets at fair value through profit or loss			
Listed securities (continued)			
Common Stocks (continued)			
Hong Kong (continued)			
Communication Services (continued)			
China Literature Ltd	5,554	26,829	1.16%
Kingsoft Corp Ltd	12,075	47,095	2.03%
Kuaishou Technology	7,700	85,776	3.69%
NetEase Inc	6,245	114,700	4.94%
Tencent Holdings Ltd	4,460	201,463	8.67%
XD Inc	3,300	8,602	0.37%
Total Communication Services		669,275	28.81%
Consumer Discretionary			
Alibaba Group Holding Ltd	14,948	213,196	9.18%
Alibaba Health Information Technology Ltd	59,000	40,608	1.75%
JD Health International Inc	14,226	111,603	4.80%
JD.com Inc	5,115	164,812	7.10%
Meituan	6,725	166,459	7.17%
Ping An Healthcare & Technology Co Ltd	6,100	18,077	0.78%
Tongcheng Travel Holdings Ltd	14,200	30,551	1.31%
Trip.com Group Ltd	3,920	110,719	4.77%
Total Consumer Discretionary		856,025	36.86%
Financials			
ZhongAn Online P&C Insurance Co Ltd	7,850	25,564	1.10%
Total Financials		25,564	1.10%
Health Care			
Yidu Tech Inc	6,300	7,516	0.33%
Total Health Care		7,516	0.33%
Information Technology			
Ming Yuan Cloud Group Holdings Ltd	13,500	21,612	0.93%
Weimob Inc	22,000	15,030	0.65%
Total Information Technology		36,642	1.58%
Total Hong Kong		1,595,022	68.68%
Total Common Stocks		2,294,010	98.78%
Total investments, at fair value		2,294,010	98.78%
Other assets		28,432	1.22%
Net assets attributable to unitholders		2,322,442	100.00%
Total investments, at cost		3,668,806	

Statement of movements in portfolio holdings for the six months ended 30 June 2022 (Unaudited)

<i>Investments</i>	<i>Beginning holding balance as at 31 December 2021</i>	<i>Additions</i>	<i>Corporate Actions</i>	<i>Disposals</i>	<i>Closing holding balance as at 30 June 2022</i>
360 Finance Inc	969	61	–	–	1,030
51job Inc	309	–	–	(309)	–
Agora Inc	864	64	–	–	928
Alibaba Group Holding Ltd	–	600	15,248	(900)	14,948
Alibaba Group Holding Ltd	1,906	–	(1,906)	–	–
Alibaba Health Information Technology Ltd	47,000	12,000	–	–	59,000
Alibaba Pictures Group Ltd	113,000	30,000	–	–	143,000
Autohome Inc	703	19	–	–	722
Baidu Inc	1,101	–	(1,101)	–	–
Baidu Inc	–	850	8,808	(4,700)	4,958
Baozun Inc	505	–	–	(505)	–
Bilibili Inc	–	1,280	1,723	–	3,003
Bilibili Inc	1,723	–	(1,723)	–	–
China Literature Ltd	4,554	1,000	–	–	5,554
Chindata Group Holdings Ltd	1,678	221	–	–	1,899
Dada Nexus Ltd	869	198	–	–	1,067
DouYu International Holdings Ltd	1,478	–	–	(1,478)	–
Full Truck Alliance Co Ltd	9,681	2,120	–	(296)	11,505
GSX Techedu Inc	1,343	–	–	(1,343)	–
Hello Group Inc	1,339	283	–	–	1,622
HUYA Inc	905	274	–	–	1,179
iQIYI Inc	3,907	64	–	–	3,971
JD Health International Inc	11,026	3,200	–	–	14,226
JD.com Inc	–	1,350	5,065	(1,300)	5,115
JD.com Inc	2,459	–	(2,424)	(35)	–
JOYY Inc	499	30	–	–	529
Kanzhun Ltd	3,589	–	–	(235)	3,354
KE Holdings Inc	5,240	1,261	–	(791)	5,710
Kingsoft Cloud Holdings Ltd	1,043	592	–	–	1,635
Kingsoft Corp Ltd	9,475	2,600	–	–	12,075
Kuaishou Technology	10,200	2,000	–	(4,500)	7,700

Statement of movements in portfolio holdings for the six months ended 30 June 2022 (Unaudited) (continued)

<i>Investments</i>	<i>Beginning holding balance as at 31 December 2021</i>	<i>Additions</i>	<i>Corporate Actions</i>	<i>Disposals</i>	<i>Closing holding balance as at 30 June 2022</i>
Lufax Holding Ltd	6,898	2,265	–	(73)	9,090
Meituan Dianping	7,125	1,600	–	(2,000)	6,725
Ming Yuan Cloud Group Holdings Ltd	10,500	3,000	–	–	13,500
NetEase Inc	–	1,400	5,245	(400)	6,245
NetEase Inc	1,049	–	(1,049)	–	–
OneConnect Financial Technology Co Ltd	1,362	–	–	(1,362)	–
Pinduoduo Inc	1,911	–	–	(337)	1,574
Ping An Healthcare & Technology Co Ltd	4,900	1,200	–	–	6,100
TAL Education Group	4,878	805	–	(2,169)	3,514
Tencent Holdings Ltd	4,560	300	–	(400)	4,460
Tencent Music Entertainment Group	6,312	255	–	–	6,567
Tongcheng-Elong Holdings Ltd	11,400	2,800	–	–	14,200
Trip.com Group Ltd	–	–	3,920	–	3,920
Trip.com Group Ltd	4,026	–	(3,920)	(106)	–
Vipshop Holdings Ltd	4,513	57	–	(545)	4,025
Vnet Group Inc	1,293	148	–	–	1,441
Weibo Corp	637	17	–	–	654
Weimob Inc	22,000	2,000	–	(2,000)	22,000
XD Inc	2,100	1,200	–	–	3,300
Yeahka Ltd	2,201	–	–	(2,201)	–
Yidu Tech Inc	4,900	1,400	–	–	6,300
Youdao Inc	445	–	–	(445)	–
Zhihu Inc	4,229	1,564	–	–	5,793
ZhongAn Online P&C Insurance Co Ltd	6,050	1,800	–	–	7,850

Performance record (Unaudited)

1 Price record

<i>During the period/year ended</i>	<i>Highest net asset value per unit USD</i>	<i>Lowest net asset value per unit USD</i>
30 June 2022	7.26	4.01
31 December 2021	17.86	6.43
31 December 2020	13.41	6.98
31 December 2019	8.53	6.25
31 December 2018 ¹	11.09	6.40

¹ The financial period of the Sub-Fund extended from 4 April 2018 (date of inception) to 31 December 2018.

2 Total net asset value and net asset value per unit

<i>As at</i>	<i>Total net asset value USD</i>	<i>Net asset value per unit USD</i>
30 June 2022	2,322,442	6.19
31 December 2021 (Audited)	2,580,937	6.88
31 December 2020 (Audited)	5,004,565	13.35
31 December 2019 (Audited)	6,283,262	8.38

3 Performance of the Sub-Fund and the underlying index

<i>For the six months ended 30 June 2022</i>	<i>Performance</i>
CICC KraneShares CSI China Internet Index ETF	(10.02)%
CSI Overseas China Internet Index	<u>(9.84)%</u>
<i>For the year ended 31 December 2021</i>	<i>Performance</i>
CICC KraneShares CSI China Internet Index ETF	(48.43)%
CSI Overseas China Internet Index	<u>(48.91)%</u>

Investors should note that investments involve risks and not all investment risks are predictable. Prices of Sub-Fund's units may go up as well as down and past performance information presented is not indicative of future performance. Investors should read the Prospectus of the Trust including the full text of the risk factors stated therein (such as the arrangement in the event that the Sub-Fund is delisted) in detail before making any investment decision.

Investment limitation and prohibitions under the SFC Code (Unaudited)

None of the constituent stocks held by CICC KraneShares CSI China Internet Index ETF accounted for more than 10% of the underlying index as at 30 June 2022.

Basis of preparation (Unaudited)

The financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs"), and Interpretations issued by International Accounting Standards Board ("IASB"), the relevant disclosure provisions of the Trust Deed and the relevant disclosure requirements of the Code issued by the Hong Kong Securities and Futures Commission (the "SFC").

The financial statement has applied the same accounting policies and methods of computation as are applied in the annual reports.

These financial statements are presented in United States dollars ("USD"), which is the Sub-Fund's functional currency. All values are rounded to the nearest USD except when otherwise indicated.

The financial statements are prepared on a fair value basis for financial assets and financial liabilities at fair value through profit and loss. Other financial assets and financial liabilities are stated at amortised cost.