

平成 30 年 12 月期 中間決算短信 (平成 30 年 1 月 1 日～平成 30 年 6 月 30 日)  
Interim Earnings Report for Fiscal Year ending December 2018 (January 1, 2018 – June 30, 2018)

2018 年 9 月 10 日  
September 10, 2018

フ ァ ン ド 名 南方 FTSE 中国 A 株 50 ETF 上場取引所 東  
コ ー ド 番 号 1576 売買単位 10 口  
連 動 対 象 指 標 FTSE 中国 A50 インデックス  
主 要 投 資 資 産 株式  
管 理 会 社 中国南方アセット・マネジメント・リミテッド  
U R L <http://www.csopasset.com/en/home/index.php>  
代 表 者 (役職名) 最高経営責任者 (氏名) 丁 晨  
問合せ先責任者 (役職名) アンダーソン・毛利・友 (氏名) 飛岡 和明 (TEL)03(6775)1000  
常法律事務所 弁護士  
  
Fund name: CSOP FTSE China A50 ETF Listed Exchange: TSE  
Code: 1576 Trading unit: 10 units  
Underlying indicator: FTSE China A50 Index  
Primary invested assets: Shares  
Management co.: CSOP Asset Management Limited  
URL: <http://www.csopasset.com/en/home/index.php>  
Representative: (Title) Chief Executive Officer (Name) Ding Chen  
Contact person: (Title) Anderson Mori & Tomotsune, (Name) Kazuaki Tobioka (TEL)03(6775)1000  
Attorney-at-law

半期報告書提出予定日 平成 30 年 9 月  
Scheduled submission date of Semi-annual Report: September 2018

## I ファンドの運用状況

### I Fund Management

- 平成 30 年 6 月中間期の運用状況 (平成 30 年 1 月 1 日～平成 30 年 6 月 30 日)
- Management Status for Half-Year ended June 2018 (from January 1, 2018 to June 30, 2018)

#### (1) 信託財産である外国 ETF の資産内訳

(百万円未満切捨て)

##### (1) Assets of Trust Asset Foreign ETF

(amounts below 1 mil. yen are discarded)

	主要投資資産 Primary Invested Assets		現金・預金・その他の資産 (負債控除後) Cash/Deposits/Other Assets (excluding liabilities)		合計 (純資産) Total (Net Assets)	
	金額 Amount	構成比 ratio	金額 Amount	構成比 ratio	金額 Amount	構成比 ratio
	百万円 JPY mil.	%	百万円 JPY mil.	%	百万円 JPY mil.	%
30 年 6 月中間期 SAN ended June 2018	220,372	98.99	2,259	1.01	222,631	100
29 年 12 月期 FY ended December 2017	311,948	99.93	215	0.07	312,163	100

## (2) 信託財産である外国 ETF の設定・交換実績

## (2) Creation and Redemption of Trust Asset Foreign ETF

	前計算期間末発行済口数 No. of Issued Units at End of Previous Calculation Period (①)	設定口数 No. of Units Created (②)	交換口数 No. of Units Redeemed (③)	当中間計算期間末発行済口数 No. of Units in Issue at End of Semi-annual Period (①+②-③)
	千口 '000 units	千口 '000 units	千口 '000 units	千口 '000 units
30 年 6 月中間期 SAN ended June 2018	1,495,000	28,000	316,500	1,206,500
29 年 12 月期 FY ended December 2017	1,735,500	486,500	727,000	1,495,000

## (3) 信託財産である外国 ETF の基準価額

## (3) Net Asset Value of Trust Asset Foreign ETF

	総資産 Total Assets (①)	負債 Liabilities (②)	純資産 Net Assets (③(①-②))	1 口当たり基準価額 ((③/当中間計算期間末 (前計算期間 末) 発行済口数)×1) Net Asset Value per 1 unit ((③/No. of Units in Issue at End of Semi-annual Period (Previous Calculation Period))×1)
	百万円 JPY mil.	百万円 JPY mil.	百万円 JPY mil.	円 JPY
30 年 6 月中間期 SAN ended June 2018	222,918	287	222,631	184
29 年 12 月期 FY ended December 2017	312,976	812	312,163	208

## (4) 上場外国 ETF 信託受益証券に係る設定・交換実績

## (4) Creation and Redemption of Listed Foreign ETF Trust Beneficiary Certificates (JDR)

	前計算期間末発行済口数 No. of Issued Units at End of Previous Calculation Period (①)	設定口数 No. of Units Created (②)	交換口数 No. of Units Redeemed (③)	当中間計算期間末発行済口数 No. of Issued Units at End of Semi-annual Period (①+②-③)
	千口 '000 units	千口 '000 units	千口 '000 units	千口 '000 units
30 年 6 月中間期 SAN ended June 2018	53	0	0	53
29 年 12 月期 FY ended December 2017	53	0	0	53

(5) 上場外国 ETF 信託受益証券の分配金

(5) Dividend Payment of Listed Foreign ETF Trust Beneficiary Certificates (JDR)

	1 口当たり分配金 Dividend per 1 unit
	円 JPY
30 年 6 月中間期 SAN ended June 2018	0
29 年 12 月期 FY ended December 2017	13

注) 日本円への換算は、1 人民元 = 16.17 円 (2018 年 8 月 31 日東京時間午後 5 時現在のブルームバーグによる米国ドル/人民元 (CNH) 及び米国ドル/日本円の仲値) により計算されています。

Note: Conversion into Japanese yen has been calculated at the exchange rate of RMB 1.00 = JPY 16.17, which represents the middle rates for USD-RMB and USD-JPY as of 17:00 Tokyo time on August 31, 2018 as published by Bloomberg.

2. 信託財産である外国 ETF の会計方針の変更

2. Change in Accounting Policies of Trust Asset Foreign ETF

(1) 会計基準等の改正に伴う会計方針の変更 : 無

(1) Changes accompanying revision to accounting standards, etc. : No

(2) (1) 以外の会計方針の変更 : 無

(2) Changes other than those in (1) : No



**CSOP ETF SERIES**

(An umbrella unit trust established in Hong Kong)

**CSOP FTSE CHINA A50 ETF**

**Stock Codes: 82822 (RMB counter) and 02822 (HKD counter)**

**(A sub-fund of CSOP ETF Series)**

Unaudited Semi-Annual Report

FOR THE PERIOD ENDED 30 JUNE 2018

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

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

**REPORT OF THE MANAGER TO THE UNITHOLDERS**

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

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

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

**Capital Gains Tax (“CGT”) Treatment**

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

**Change to the type of the Underlying Index**

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

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

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

**REPORT OF THE MANAGER TO THE UNITHOLDERS (CONTINUED)**

**The Sub-Fund Performance**

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

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

**Exchange Liquidity**

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

**Portfolio Rebalance**

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

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

**CONDENSED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2018*

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

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



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

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

*For the period ended 30 June 2018*

		Period from 1 January 2018 to 30 June 2018 (Unaudited) RMB	Period from 1 January 2017 to 30 June 2017 (Unaudited) RMB
	<i>Notes</i>		
<b>INCOME</b>			
Dividend income		178,737,705	176,521,481
Interest income	7(c)	275,987	130,418
Net (loss)/gain on investments	5	(1,826,674,218)	2,325,480,240
Other income		16,563,831	6,012,427
<b>Total net (loss)/income</b>		<u>(1,631,096,695)</u>	<u>2,508,144,566</u>
		-----	-----
<b>EXPENSES</b>			
Management fee	7(a)	(80,496,659)	(85,790,527)
Trustee fee	7(b)	(7,179,192)	(7,606,979)
Transaction costs of investments		(12,138,235)	(19,522,999)
Audit fee		(375,524)	(324,273)
Safe custody and bank charges		(636,882)	(605,331)
License fee		(8,072,640)	(8,683,425)
Other operating expenses		(231,562)	(571,546)
<b>Total operating expenses</b>		<u>(109,130,694)</u>	<u>(123,105,080)</u>
		-----	-----
Operating (loss)/profit		(1,740,227,389)	2,385,039,486
		-----	-----
Taxation	6	(17,953,625)	(18,013,837)
		-----	-----
<b>Total comprehensive income</b>		<u>(1,758,181,014)</u>	<u>2,367,025,649</u>
		=====	=====

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

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

**CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**  
*For the period ended 30 June 2018*

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

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

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

**CONDENSED STATEMENT OF CASH FLOWS**

*For the period ended 30 June 2018*

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

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

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

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

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

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

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

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

Under current regulations in the People’s Republic of China (“PRC”), generally foreign investors can invest in the domestic securities market through certain qualified foreign institutional investors that have obtained status as a Qualified Foreign Institutional Investor (“QFII”) or a Renminbi Qualified Foreign Institutional Investor (“RQFII”) from the China Securities Regulatory Commission (“CSRC”) and have been granted quota(s) by the State Administration of Foreign Exchange (“SAFE”) of the PRC to remit foreign freely convertible currencies (in the case of a QFII) and Chinese Renminbi (“RMB”) (in the case of a RQFII) into the PRC for the purpose of investing in the PRC’s domestic securities markets. Foreign investors can also invest in the domestic securities market through Shanghai/Shenzhen – Hong Kong Stock Connect Program (“Stock Connect”).

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

These condensed semi-annual financial statements are prepared for the Sub-Fund only. The condensed financial statements for CSOP CES China A80 ETF, CSOP SZSE ChiNext ETF, CSOP China CSI 300 Smart ETF, CSOP MSCI China A Inclusion Index ETF (Formerly known as CSOP MSCI China A International ETF) and ICBC CSOP S&P New China Sectors ETF have been prepared separately.

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

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

These condensed semi-annual financial statements for the six months ended 30 June 2018 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The condensed semi-annual financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

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

Standard and amendments to existing standards effective 1 January 2018

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

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

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

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

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

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

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

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

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

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

**Fair value of securities that are suspended from trading**

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

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

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

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

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

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

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

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

The movements of the redeemable units for the period ended 30 June 2018 and 30 June 2017 are as follows:

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

**5. NET (LOSS)/GAIN ON INVESTMENTS**

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

**6. TAXATION**

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

PRC tax

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

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**6. TAXATION (Continued)**

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

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

**7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS**

The following is a summary of significant related party transactions/transactions entered into during the period between the Sub-Fund and the Trustee, the Manager and the Connected Persons of the Manager. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the period from 1 January 2018 to 30 June 2018, between the Sub-Fund and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with the Connected Persons of the Manager except for those disclosed below.

**(a) Management fee**

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

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

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

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



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

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

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

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

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

**(c) Financial assets**

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

	As at 30 June 2018 (Unaudited) RMB	As at 31 December 2017 (Audited) RMB
<b>Investments</b>		
The Hongkong and Shanghai Banking Corporation Limited	11,093,806,933	14,150,277,262
HSBC Bank (China) Company Limited	2,534,657,830	5,141,517,550
	<u>13,628,464,763</u>	<u>19,291,794,812</u>
<b>Bank balances</b>		
The Hongkong and Shanghai Banking Corporation Limited	57,250,057	5,414,587
HSBC Bank (China) Company Limited	98,845,453	31,187,858
	<u>156,095,510</u>	<u>36,602,445</u>

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

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

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**8. FINANCIAL RISK MANAGEMENT**

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

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

**(a) Market risk**

**(i) Market price risk**

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

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

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

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

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

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**8. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Market risk (Continued)**

**(i) Market price risk (Continued)**

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

As at 30 June 2018, if the FTSE China A50 Index were to increase by 10% (31 December 2017: 10%) with all other variables held constant, this would increase the operating profit for the period/year by approximately RMB1,362,846,476 (31 December 2017: RMB1,982,221,136). Conversely, if the FTSE China A50 Index were to decrease by 10% (31 December 2017: 10%), this would decrease the operating profit for the period/year by an equal amount.

**(ii) Interest rate risk**

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

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

**(iii) Currency risk**

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

**(b) Credit and counterparty risk**

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

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

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

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

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

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**8. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit and counterparty risk (Continued)**

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

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

**(c) Liquidity risk**

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

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

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

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

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**8. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk (Continued)**

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

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

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

**(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.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**8. FINANCIAL RISK MANAGEMENT (Continued)**

**(d) Fair value estimation (Continued)**

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

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

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

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

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

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

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**8. FINANCIAL RISK MANAGEMENT (Continued)**

**(d) Fair value estimation (Continued)**

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

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

**(e) Capital risk management**

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

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

**9. DISTRIBUTION**

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

**10. FINANCIAL INSTRUMENTS BY CATEGORY**

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

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

**11. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE**

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

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

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

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

**As at 30 June 2018**

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

**As at 31 December 2017**

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

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

**12. SOFT COMMISSION ARRANGEMENT**

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

**13. SEGMENT INFORMATION**

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

The Manager considers that the Sub-Fund has a single operating segment which is investing in securities. The objectives of the Sub-Fund are to track the performance of the FTSE China A50 Index and invest in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

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

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

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



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**INVESTMENT PORTFOLIO (Unaudited)**

*As at 30 June 2018*

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

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

**INVESTMENT PORTFOLIO (Unaudited) (Continued)**

*As at 30 June 2018*

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

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

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)**

*For the period ended 30 June 2018*

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

**CSOP FTSE CHINA A50 ETF**  
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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)**  
*For the period ended 30 June 2018*

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

**CSOP FTSE CHINA A50 ETF**  
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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)**  
*For the period ended 30 June 2018*

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

**CSOP FTSE CHINA A50 ETF**  
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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)**  
*For the period ended 30 June 2018*

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

**CSOP FTSE CHINA A50 ETF**  
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**PERFORMANCE RECORD (Unaudited)**

**Net asset value**

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

**Highest and lowest net asset value per unit**

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

**CSOP FTSE CHINA A50 ETF**  
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**MANAGEMENT AND ADMINISTRATION**

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