



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

**ICBC CSOP S&P NEW CHINA SECTORS ETF**  
**(FORMERLY KNOWN AS CSOP S&P NEW CHINA SECTORS ETF)**  
**(Stock Code: 3167)**  
**(A sub-fund of CSOP ETF Series)**

Reports and Financial Statements  
FOR THE PERIOD FROM 6 DECEMBER 2016 (DATE OF INCEPTION)  
TO 31 December 2017

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

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**ICBC CSOP S&P NEW CHINA SECTORS ETF  
(FORMERLY KNOWN AS 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 (formerly known as 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 and RQFII holder 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 S&P New China Sectors Index (the “Index”) is compiled and published by S&P Dow Jones Indices LLC. It is a net total return index, which is designed to reflect the performance of the new growth China consumption and services-oriented entities selected by float-adjusted market capitalization. The Index operates under clearly defined rules published by the index provider and is a tradable index.

The Sub-Fund 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 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 31 December 2017.

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 29 December 2017 (last trading date), the dealing Net Asset Value (“NAV”) per unit of the Sub-Fund was HKD 75.8684 and there were 13,100,000 units outstanding. The total asset under management was approximately HKD 993.9 million as at 29 December 2017 (last trading date).

For the period from 6 December 2016 (date of inception) to 29 December 2017 (last trading date), the dealing NAV of the Sub-Fund (stock code 3167) increased by 53.76% while the index increased by 56.64%. The difference in performance between the NAV of the Sub-Fund and the Index is mainly attributed to fees, expenses and market change during the same period. YTD net total return of the HKD counter (stock code 3167) was 52.01%.

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 14.0 million in December 2017. The trading volume for the Sub-Fund reflected strong interest in the Sub-Fund.

Portfolio Rebalance

The Sub-Fund adopts full-replication strategy to track the Index. Since inception, the Sub-Fund has experienced three half-year index rebalances.

**ICBC CSOP S&P NEW CHINA SECTORS ETF  
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**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 (formerly known as 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 period from 6 December 2016 (date of inception) to 31 December 2017.

HSBC Institutional Trust Services (Asia) Limited  
27 April 2018

**ICBC CSOP S&P NEW CHINA SECTORS ETF  
(FORMERLY KNOWN AS 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 (formerly known as 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 & 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 period and of the transactions for the period from 6 December 2016 (date of inception) to 31 December 2017. 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 2017, the Trust has established seven sub-funds, namely, ICBC CSOP S&P New China Sectors ETF (formerly known as CSOP S&P New China Sectors ETF), CSOP FTSE China A50 ETF, CSOP CES China A80 ETF, CSOP MSCI T50 ETF, CSOP SZSE ChiNext ETF, CSOP China CSI 300 Smart ETF and CSOP MSCI China A International ETF.

**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  
(FORMERLY KNOWN AS 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 (formerly known as CSOP S&P New China Sectors ETF) (the "Sub-Fund"), a sub-fund of CSOP ETF Series, set out on pages 8 to 29, which comprise:

- the statement of financial position as at 31 December 2017;
- the statement of comprehensive income for the period from 6 December 2016 (date of inception) to 31 December 2017;
- the statement of changes in net assets attributable to unitholders for the period from 6 December 2016 (date of inception) to 31 December 2017;
- the statement of cash flows for the period from 6 December 2016 (date of inception) to 31 December 2017; 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 2017, and of its financial transactions and its cash flows for the period from 6 December 2016 (date of inception) to 31 December 2017 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  
(FORMERLY KNOWN AS 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:

<b>Key Audit Matters</b>	<b>How our audit addressed the Key Audit Matters</b>
<p><u>Existence and valuation of investments</u></p> <p>The Sub-Fund's investments as at 31 December 2017 were mainly comprised of listed equities of companies in Hong Kong and the People's Republic of China, valued at HKD986,748,485. These investments held by the Sub-Fund include listed equities of RMB840,440 which have been suspended from trading as at 31 December 2017.</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. In addition, we also focused on the valuation of listed equities which have been suspended from trading as at 31 December 2017 because the judgment made by the Manager in determining their fair values involved a high degree of subjectivity.</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 2017. We found no material exceptions from our testing.</p> <p>For investments which have been suspended from trading as at the year end, we assessed the appropriateness of the valuation methodology adopted by the Manager. We also assessed the judgment made in determining the valuation of these investments by considering factors which may impact their fair values, including the duration of the 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 year end.</p> <p>Based on the procedures we performed, we found the judgment made by the Manager in determining the valuation of the investments to be supported by available evidence.</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.

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

**Other Information (Continued)**

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 have 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").

**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 HKSAAs 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 Appendix E of the SFC Code.

As part of an audit in accordance with HKSAAs, 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.



**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF ICBC CSOP S&P NEW CHINA SECTORS ETF  
(FORMERLY KNOWN AS 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 (Continued)**

- 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.

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

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

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 27 April 2018

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

**STATEMENT OF FINANCIAL POSITION**

*As at 31 December 2017*

	<i>Notes</i>	2017 <i>HKD</i>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Deposit reserve		16,796
		-----
<b>CURRENT ASSETS</b>		
Investments	7(d),8(a)	986,748,485
Interest receivable		154
Bank balances	7(d)	7,669,207
		-----
		994,417,846
		-----
<b>Total assets</b>		<b>994,434,642</b>
		=====
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Management fee payable	7(a),(b),(c)	557,296
Other accounts payable		415,574
		-----
<b>Total liabilities</b>		<b>972,870</b>
		-----
<b>EQUITY</b>		
<b>Net assets attributable to unitholders</b>	<b>4</b>	<b>993,461,772</b>
		=====

The financial statements on pages 8 to 29 were approved by the Trustee and the Manager on 27 April 2018 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**  
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**STATEMENT OF COMPREHENSIVE INCOME**

*For the period from 6 December 2016 (date of inception) to 31 December 2017*

	<i>Notes</i>	Period from 6 December 2016 (date of inception) to 31 December 2017 <i>HKD</i>
<b>INCOME</b>		
Dividend income		3,232,655
Interest income	7(d)	5,396
Net gain on investments	5	102,081,021
Other loss		(1,116,904)
Net foreign currency loss		(239,069)
<b>Total net income</b>		<u>103,963,099</u>
<b>EXPENSES</b>		
Management fee	7(a),(b),(c)	(2,350,651)
Transaction costs on investments		(1,458,285)
Audit fee		(260,001)
Safe custody and bank charges		(75,891)
Legal and other professional fee		(20,807)
Establishment costs		(569,196)
Other operating expenses		(295,865)
<b>Total operating expenses</b>		<u>(5,030,696)</u>
Operating profit		98,932,403
Taxation	6	(227,631)
<b>Total comprehensive income</b>		<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**  
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**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

*For the period from 6 December 2016 (date of inception) to 31 December 2017*

	<i>Note</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 period		-
		-----
Proceeds on issue of units		907,595,000
		-----
Net increase from unit transactions		907,595,000
		-----
Distribution to unitholders	9	(12,838,000)
		-----
Total comprehensive income for the period		98,704,772
		-----
<b>Net assets attributable to unitholders at the end of the period</b>		<b>993,461,772</b>
		=====

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

**ICBC CSOP S&P NEW CHINA SECTORS ETF**  
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**STATEMENT OF CASH FLOWS**

*For the period from 6 December 2016 (date of inception) to 31 December 2017*

Period from  
6 December 2016  
(date of inception)  
to 31 December 2017  
*HKD*

**OPERATING ACTIVITIES**

Payments for purchase of investments	(992,603,918)
Proceeds from sale of investments	107,697,385
Dividend received	3,232,655
Interest received	5,242
Other expense paid	(1,116,904)
Management fee paid	(1,793,355)
Transaction costs paid	(1,458,285)
Taxation paid	(227,631)
Other operating expenses paid	(806,186)
Deposit reserve paid	(16,796)
	<hr/>
<b>Net cash used in operating activities</b>	<b>(887,087,793)</b>
	<hr style="border-top: 1px dashed black;"/>

**FINANCING ACTIVITIES**

Proceeds on issue of units	907,595,000
Distribution paid	(12,838,000)
	<hr/>
<b>Net cash generated from financing activities</b>	<b>894,757,000</b>
	<hr style="border-top: 1px dashed black;"/>

Net increase in cash and cash equivalents	7,669,207
Cash and cash equivalents at the beginning of the period	-
	<hr/>
Cash and cash equivalents at the end of the period	7,669,207
	<hr style="border-top: 3px double black;"/>
<b>Analysis of balances of cash and cash equivalents</b>	
Bank balances	7,669,207
	<hr style="border-top: 3px double black;"/>

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

**ICBC CSOP S&P NEW CHINA SECTORS ETF  
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**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 2017, the Trust has seven sub-funds which are ICBC CSOP S&P New China Sectors ETF (formerly known as CSOP S&P New China Sectors ETF) (the “Sub-Fund”), CSOP FTSE China A50 ETF, CSOP CES China A80 ETF, CSOP MSCI T50 ETF, CSOP SZSE ChiNext ETF, CSOP China CSI 300 Smart ETF and CSOP MSCI China A International ETF. 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 MSCI T50 ETF, CSOP SZSE ChiNext ETF, CSOP China CSI 300 Smart ETF and CSOP MSCI China A International ETF have been prepared separately.

**ICBC CSOP S&P NEW CHINA SECTORS ETF  
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**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 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.

Standard and amendments to existing standards effective 1 January 2017

The HKICPA has issued an amendment to HKAS 7, “Statement of cash flows” introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the HKICPA’s disclosure initiative, which continues to explore how financial statement disclosures can be improved. An entity shall apply those amendments to HKAS 7 for annual periods beginning on or after 1 January 2017. The amendment does not have any significant impact on the Sub-Fund.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2017 that have a material effect on the financial statements of the Sub-Fund.

New standard and amendments to standards effective after 1 January 2017 that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund

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 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(a) Basis of preparation (Continued)**

New standard and amendments to standards effective after 1 January 2017 that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund (Continued)

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.

In addition to the above, a number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, 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.

**(b) Investments**

**(i) Classification**

The Sub-Fund classifies its investments as financial assets at fair value through profit or loss. These financial assets are designated by the Management at fair value through profit or loss at inception. Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Sub-Fund's documented investment strategies. The Sub-Fund's policies require the Management to evaluate the information about these financial assets on a fair value basis together with other related financial information.

**(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 period in which they arise.



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**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, 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.

**(c) 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.

**(d) Amounts due from/to participating dealers**

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

**(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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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.

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”.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) Establishment costs**

Establishment costs are recognised as an expense in the period 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.

**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 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 31 December 2017, these investments held by the Sub-Fund included listed equities of HKD840,440 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 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 statement of financial position. Subscriptions and redemptions of units during the 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.

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

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(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 are as follows:

	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 period	-
Units issued	13,100,000
	<hr/>
Number of units in issue at the end of the period	13,100,000
	<hr/> <hr/>

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 2017, the expensing of establishment costs as stated in the financial statements resulted in a decrease of net assets attributable to unitholders of HKD356,044 when compared with the methodology indicated in the Trust's Prospectus.

	2017 <i>HKD</i>
Net assets attributable to unitholders as reported in the statement of financial position	993,461,772
Adjustments for unamortised establishment costs	356,044
	<hr/>
Net asset value in accordance with the Trust's Prospectus	993,817,816
	<hr/> <hr/>
Net assets attributable to unitholders per unit as at 31 December (per statement of financial position)	75.8368
	<hr/> <hr/>
Net assets attributable to unitholders per unit as at 31 December (at dealing net asset value)	75.8640
	<hr/> <hr/>

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**5. NET GAIN ON INVESTMENTS**

	Period from 6 December 2016 (date of inception) to 31 December 2017 <i>HKD</i>
Net fair value change in unrealised gain/loss in value of investments	93,700,667
Net realised gain on sale of investments	8,380,354
	<hr/>
	102,081,021
	<hr/> <hr/>

**6. TAXATION**

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

PRC 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 from 6 December 2016 (date of inception) to 31 December 2017.

The taxation of the Sub-Fund represents:

	Period from 6 December 2016 (date of inception) to 31 December 2017 <i>HKD</i>
Withholding tax on dividend income	227,524
Withholding tax on interest income	107
	<hr/>
Taxation	227,631
	<hr/> <hr/>

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**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 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 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).

**(d) Financial assets**

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

	2017 HKD
<b>Investments</b>	
The Hongkong and Shanghai Banking Corporation Limited	960,990,379
HSBC Bank (China) Company Limited	25,758,106
	<hr/> 986,748,485 <hr/> <hr/>
<b>Bank balances</b>	
The Hongkong and Shanghai Banking Corporation Limited	6,630,817
HSBC Bank (China) Company Limited	1,038,390
	<hr/> 7,669,207 <hr/> <hr/>

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

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**NOTES TO THE 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 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.

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

	2017	
	Fair value <i>HKD</i>	% of net asset value
Listed equities – by geographical region		
China	299,809,216	30.18
Hong Kong	452,431,325	45.54
United States	234,507,944	23.60
	986,748,485	99.32
Listed equities – by industry		
Consumer Goods	240,848,396	24.24
Consumer Services	217,827,359	21.93
Financials	146,471,095	14.74
Health Care	63,292,479	6.37
Industrials	24,221,129	2.44
Technology	209,019,481	21.04
Telecommunications	55,845,861	5.62
Utilities	29,222,685	2.94
	986,748,485	99.32



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**NOTES TO THE FINANCIAL STATEMENTS**

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

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

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

The Sub-Fund held 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 2017, if the S&P New China Sectors Index were to increase by 10% with all other variables held constant, this would increase the operating profit for the period by approximately HKD107,146,473. Conversely, if the S&P New China Sectors Index were to decrease by 10%, this would decrease the operating profit for the period 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 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 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.

	2017	
	Monetary <i>HKD</i>	Non-monetary <i>HKD</i>
Renminbi	5,953,802	299,809,216
United States Dollar	486,378	234,507,944

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**NOTES TO THE FINANCIAL STATEMENTS**

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

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

**(iii) Currency risk (Continued)**

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 2017, with all other variables held constant.

	Change	Impact on net assets 2017 HKD
Renminbi	+/- 5%	+/- 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.

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 2017, the Sub-Fund placed bank balances of HKD6,630,817 and investments of 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.

As at 31 December 2017, the Sub-Fund placed bank balances of HKD1,038,390 and investments of 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.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

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

**(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>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
<b>As at 31 December 2017</b>				
Management fee payable	557,296	-	-	557,296
Other accounts payable	165,423	240,000	10,151	415,574
	<u>722,719</u>	<u>240,000</u>	<u>10,151</u>	<u>972,870</u>
<b>Contractual cash outflow</b>	<u><u>722,719</u></u>	<u><u>240,000</u></u>	<u><u>10,151</u></u>	<u><u>972,870</u></u>

Units are redeemed on demand at the unitholder's option. As at 31 December 2017, there was one 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>
<b>As at 31 December 2017</b>				
Total assets	<u><u>993,577,252</u></u>	<u><u>397,314</u></u>	<u><u>460,076</u></u>	<u><u>994,434,642</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**

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

**(d) Fair value estimation**

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

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

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

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

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 2017, two listed equity investments 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 as at 31 December 2017 has resumed trading on 8 January 2018.

The suspended equity investments of HKD397,160 have been transferred from level 1 to level 2 and classified as level 2 investments as at 31 December 2017. Transfers between levels of the fair level hierarchy are deemed to have occurred at the beginning of the reporting period.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or do not trade.

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

	31 December 2017 <i>HKD</i>
Opening balance	-
Purchase	437,012
Net gains recognised in statement of comprehensive income	6,268
	<hr/>
Closing balance	443,280
	<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/>

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

<b>As at 31 December 2017</b>		
<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.

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**NOTES TO THE FINANCIAL STATEMENTS**

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

**(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**

Final Distribution	2017 <i>HKD</i>
HKD 0.98 per unit on 13,100,000 units	12,838,000

The final distribution of HKD0.98 per unit on 13,100,000 units outstanding on the ex-dividend date 18 December 2017 was paid on 29 December 2017.

**10. FINANCIAL INSTRUMENTS BY CATEGORY**

As of 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 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 from 6 December 2016 (date of inception) to 31 December 2017.

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**NOTES TO THE FINANCIAL STATEMENTS**

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

There was 1 constituent security 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 2017.

**As at 31 December 2017**

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

During the period from 6 December 2016 (date of inception) to 31 December 2017, the S&P New China Sectors Index increased by 57.94% while the net asset value per unit of the Sub-Fund increased by 51.67%.

**12. SOFT COMMISSION ARRANGEMENT**

The Manager has entered into soft commission arrangements for 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 HKD16,796. The Sub-Fund has no other assets classified as non-current assets. As at 31 December 2017, the Sub-Fund has a diversified portfolio of investments and 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 27 April 2018.

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**INVESTMENT PORTFOLIO (Unaudited)**

*As at 31 December 2017*

	<b>Holdings</b>	<b>Fair value HKD</b>	<b>% of net assets</b>
<b>Investments (99.32%)</b>			
<b>Listed equities (99.32%)</b>			
<b>China (30.18%)</b>			
AISINO CO LTD ORD CNY1	97,400	2,517,025	0.25
BEIJING ORIENT LANDSCAPE ORD CNY1	100,500	2,431,951	0.25
BEIJING TONGRENTANG CO ORD CNY1	57,360	2,218,641	0.22
CHANGCHUN HIGH & NEW TECHNOLOGY INDUSTRIES INC ORD CNY1	11,600	2,546,783	0.26
CHINA GRAND AUTOMOTIVE SERVICES CO A SHS ORD CNY1	199,311	1,917,735	0.19
CHINA INTERNATIONAL TRAVEL SERVICE ORD CNY1	66,400	3,456,532	0.35
CHINA MEDIA GROUP A SHR ORD CNY1	37,100	445,544	0.04
CHINA MEDIA GROUP ORD CNY1	122,900	1,475,941	0.15
CHINA NATIONAL NUCLEAR POWER CO LTD CHINA CONNECT ORD CNY1	366,300	3,230,035	0.33
CHINA UNITED NETWORK ORD CNY1	685,200	5,203,601	0.52
CHINA YANGTZE POWER CO LTD ORD CNY1	632,786	11,835,480	1.19
CHONGQING CHANGAN AUTOMOBILE CO LTD A SHR ORD CNY1	42,300	639,431	0.06
CHONGQING CHANGAN AUTOMOBILE CO LTD ORD CNY1	127,700	1,930,387	0.19
CITIC GUOAN INFORMATION A SHRS ORD CNY1	158,500	1,823,605	0.18
CITIC GUOAN INFORMATION INDUSTRY CO A SHS	49,900	574,119	0.06
DAQIN RAILWAY CO LTD ORD CNY1	492,400	5,358,068	0.54
DHC SOFTWARE CO LTD A SHS ORD CNY1	34,800	342,354	0.03
DHC SOFTWARE CO LTD ORD CNY1	123,900	1,218,900	0.12
DONG-E-E-JIAO CO LTD ORD CNY1	33,400	2,415,075	0.24
DR PENG TELECOM & MEDIA GRP CO LTD ORD CNY1	111,100	2,269,926	0.23
FIBERHOME TELECOM TECH CO ORD CNY1	47,600	1,646,397	0.17
FOSHAN HAITIAN FLAV & FOOD CO LTD ORD CNY1	54,200	3,498,360	0.35
FUYAO GROUP GLASS INDUSTR ORD CNY1	116,960	4,069,286	0.41
GD POWER DEVELOPMENT CO ORD CNY1	924,900	3,462,042	0.35
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	91,300	4,786,688	0.48
GREE ELECTRIC APPLIANCES INC OF ZHUHAIY ORD CNY1	286,200	15,004,930	1.51
GUANGSHEN RAILWAY CO LTD ORD CNY1	261,100	1,744,797	0.18
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS LTD ORD CNY1	10,300	397,160	0.04
HAINAN AIRLINES CO ORD CNY1	601,700	2,302,786	0.23
HANGZHOU ROBAM APPLIANCES CO LTD ORD CNY1	38,850	2,241,914	0.23
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	18,600	591,346	0.06



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**INVESTMENT PORTFOLIO (Unaudited) (Continued)**  
*As at 31 December 2017*

	<b>Holdings</b>	<b>Fair value HKD</b>	<b>% of net assets</b>
<b>Investments (99.32%) (Continued)</b>			
<b>Listed equities (99.32%) (Continued)</b>			
<b>China (30.18%) (Continued)</b>			
HENAN SHUANGHUI INVESTMENT A SHRS ORD CNY1	59,100	1,878,954	0.19
HENGTONG OPTICELECTRIC CO ORD CNY1	53,000	2,570,130	0.26
HUADONG MEDICINE CO LTD ORD CNY1	35,580	2,299,940	0.23
HUAYU AUTOMOTIVE SYSTEMS ORD CNY1	115,400	4,110,540	0.41
HUNDSUN TECHNOLOGIES INC ORD CNY1	38,200	2,126,494	0.21
IFLYTEK CO LTD ORD CNY1 SZHK	82,300	5,839,344	0.59
INNER MONGOLIA YILI INDUS ORD CNY1	397,390	15,346,905	1.54
JIANGSU HENGRUI MEDICINE C ORD CNY1	105,572	8,736,849	0.88
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	12,000	1,655,625	0.17
JIANGSU YANGHE BREWERY ORD CNY1	37,900	5,229,016	0.53
JILIN AODONG MEDICINE INDUSTRY GROUPS CO LTD A SHS ORD CNY1	17,680	477,252	0.05
JILIN AODONG PHARMACEUTICAL GROUP CO LTD ORD CNY1	56,300	1,519,756	0.15
JINYU BIO-TECHNOLOGY CO LT-A ORD CNY1	62,700	2,387,577	0.24
KANGMEI PHARMACEUTICAL CO ORD CNY1	245,800	6,593,812	0.66
KWEICHOW MOUTAI CO LTD ORD CNY1	34,994	29,282,926	2.95
LIAONING CHENG DA CO LTD ORD CNY1	101,238	2,137,662	0.22
LUZHOU LAOJIAO CO LTD A SHR ORD CNY1	14,900	1,179,813	0.12
LUZHOU LAOJIAO CO LTD ORD CNY1	41,300	3,270,219	0.33
MEINIAN ONEHEALTH HEALTHCARE HOLDINGS CO LTD A SHRS ORD CNY1	98,700	2,589,696	0.26
MIDEA GROUP CO LTD A SHRS ORD CNY1	62,500	4,156,309	0.42
MIDEA GROUP CO LTD ORD CNY1	265,600	17,662,650	1.78
NANJING XINJIEKOU DEPT ORD CNY1	10,800	489,648	0.05
NAVINFO CO LTD ORD CNY1	66,000	2,089,615	0.21
QINGDAO HAIER CO LTD ORD CNY1	292,300	6,606,822	0.67
SAIC MOTOR CORP LTD ORD CNY1	244,400	9,394,564	0.95
SDIC POWER HOLDINGS CO LTD ORD CNY1	278,024	2,448,281	0.25
SEARAINBOW HOLDING CORP A SHR ORD CNY1	12,800	662,788	0.07
SEARAINBOW HOLDING CORP ORD CNY1	40,500	2,097,101	0.21
SHANDONG DONG-E E-JIAO CO LTD A SHR ORD CNY1	10,500	759,230	0.08
SHANGHAI INTERNATIONAL AIR ORD CNY1	50,418	2,722,560	0.27
SHANGHAI JAHWA UNITED CO LTD A SHR ORD CNY1	42,223	1,868,705	0.19
SHANGHAI ORIENTAL PEARL MEDIA CO LTD ORD CNY1	149,667	2,991,465	0.30
SHANGHAI RAAS BLOOD PRODUC ORD CNY1	73,557	1,751,731	0.18
SHENZHEN OVERSEAS CHINESE TOWN CO LTD A SHR ORD CNY1	63,400	645,773	0.07
SHENZHEN OVERSEAS CHINESE TOWN CO LTD ORD CNY1	201,200	2,049,362	0.21

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**INVESTMENT PORTFOLIO (Unaudited) (Continued)**  
*As at 31 December 2017*

	Holdings	Fair value HKD	% of net assets
<b>Investments (99.32%) (Continued)</b>			
<b>Listed equities (99.32%) (Continued)</b>			
<b>China (30.18%) (Continued)</b>			
SICHUAN CHUANTOU ENERGY CO ORD CNY1	188,000	2,296,088	0.23
SUNING COMMERCE GROUP CO LTD A SHR ORD CNY1	68,000	1,002,637	0.10
SUNING COMMERCE GROUP CO ORD CNY1	191,700	2,826,551	0.28
SUOFEIYA HOME COLLECTION CO LTD ORD CNY1	41,892	1,849,532	0.19
TASLY PHARMACEUTICAL GROUP ORD CNY1	47,100	2,010,526	0.20
TCL CORP A SHR ORD CNY1	173,700	812,732	0.08
TCL CORP ORD CNY1	518,300	2,425,095	0.24
TONGHUA DONGBAO PHARMACEUT ORD CNY1	98,196	2,696,637	0.27
TSINGTAO BREWERY CO LTD ORD CNY1	24,900	1,174,914	0.12
TUS SOUND ENVIRONMEN RES A SHRS ORD CNY1	48,100	1,905,483	0.19
WANDA FILM HOLDING CO LTD ORD CNY1	7,100	443,280	0.04
WULIANGYE YIBIN CO LTD A SHRS ORD CNY1	110,700	10,608,857	1.07
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	34,900	3,344,617	0.34
YONGHUI SUPERSTORES CO LTD ORD CNY1	283,600	3,436,454	0.35
YONYOU NETWORK TECHNOLOGY CO LTD A SHRS ORD CNY1	71,456	1,813,143	0.18
YUAN LONGPING HIGHTECH AG ORD CNY1	62,400	1,925,478	0.19
YUNNAN BAIYAO GROUP CO LTD ORD CNY1	33,600	4,103,244	0.41
ZHEJIANG NHU CO LTD ORD CNY1	39,900	1,821,900	0.18
ZHEJIANG WANFENG AUTO ORD CNY1	97,140	2,086,095	0.21
		299,809,216	30.18
<b>Hong Kong (45.54%)</b>			
AIA GROUP LTD ORD USD1	1,052,400	70,142,460	7.06
AIR CHINA LTD SHS H ORD CNY1	168,000	1,592,640	0.16
ANTA SPORTS PRODUCTS LTD ORD HKD0.1	101,000	3,580,450	0.36
BRILLIANCE CHINA AUTOMOTIVE ORD USD0.01	256,000	5,350,400	0.54
BYD CO LTD H SHRS ORD CNY1	60,000	4,086,000	0.41
CGN POWER CO LTD H SHRS ORD CNY1	885,000	1,876,200	0.19
CHINA EASTERN AIRLINES H SHRS CNY1	138,000	782,460	0.08
CHINA EVERBRIGHT INTERNATIONAL LTD ORD HKD0.1	231,000	2,577,960	0.26
CHINA LIFE INSURANCE CO H ORD CNY1	649,000	15,932,950	1.60
CHINA MEDICAL SYSTEM HOLDINGS LTD ORD USD0.005	117,000	2,131,740	0.21
CHINA MENGNIU DAIRY CO LTD ORD HKD0.1	236,000	5,487,000	0.55
CHINA MOBILE LTD ORD HKD0.1	482,000	38,198,500	3.85
CHINA PACIFIC INSURANCE GROUP CO LTD H SHS ORD CNY1	242,000	9,087,100	0.91
CHINA RESOURCES BEER HOLDINGS CO LTD ORD NPV	136,000	3,814,800	0.38

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**INVESTMENT PORTFOLIO (Unaudited) (Continued)**  
*As at 31 December 2017*

	<b>Holdings</b>	<b>Fair value HKD</b>	<b>% of net assets</b>
<b>Investments (99.32%) (Continued)</b>			
<b>Listed equities (99.32%) (Continued)</b>			
<b>Hong Kong (45.54%) (Continued)</b>			
CHINA RESOURCES POWER HOLDINGS CO LTD ORD HKD1	156,000	2,271,360	0.23
CHINA SOUTHERN AIRLINES CO LTD H SHRS CNY1	174,000	1,404,180	0.14
CHINA TAIPING INSURANCE HOLDINGS CO LTD ORD NPV	125,400	3,674,220	0.37
CHINA TELECOM CORP LTD H SHRS ORD CNY1	1,210,000	4,501,200	0.45
CHINA UNICOM (HONG KONG) ORD HKD0.1	522,000	5,512,320	0.56
CSPC PHARMACEUTICAL GROUP LTD ORD NPV	374,000	5,901,720	0.59
DONGFENG MOTOR GROUP CO LTD H SHR ORD CNY1	248,000	2,346,080	0.24
GALAXY ENTERTAINMENT GROUP LTD ORD NPV	228,000	14,295,600	1.44
GEELY AUTOMOBILE HOLDINGS LTD ORD HKD0.02	437,000	11,842,700	1.19
GREAT WALL MOTOR COMPANY LTD H SHRS ORD CNY1	270,000	2,416,500	0.24
GUANGZHOU AUTOMOBILE GROUP CO LTD H SHR ORD CNY1	176,000	3,259,520	0.33
HAIER ELECTRONICS GROUP CO LTD ORD HKD0.1	107,000	2,289,800	0.23
HENGAN INTERNATIONAL GROUP CO LTD ORD HKD0.1	63,000	5,465,250	0.55
HKT TRUST AND HKT LTD SHARE STAPLED UNIT	244,000	2,430,240	0.24
HUANENG POWER INTERNATIONAL INC H SHRS ORD CNY1	368,000	1,803,200	0.18
KINGSOFT CORP LTD ORD USD0.0005	89,000	2,314,000	0.23
LI & FUNG LTD ORD HKD0.0125	532,000	2,282,280	0.23
MINIH GROUP LTD ORD HKD0.1	60,000	2,829,000	0.29
MTR CORP LTD ORD NPV	131,000	5,999,800	0.60
NEW CHINA LIFE INSURANCE CO LTD H SHR ORD CNY1	63,100	3,369,540	0.34
PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LTD H SHS ORD CNY1	608,000	2,340,800	0.24
PICC PROPERTY AND CASUALTY CO LTD H SHRS ORD CNY1	400,000	6,008,000	0.61
PING AN INSURANCE (GROUP) CO OF CHINA LTD H SHR COM CNY1	441,500	35,916,025	3.62
SANDS CHINA LTD ORD USD0.01	211,200	8,521,920	0.86
SHANGHAI FOSUN PHARMACEUTICAL GROUP CO LTD H SHRS ORD CNY1	32,500	1,629,875	0.16
SHANGHAI PHARMACEUTICALS HOLDING CO LTD H SHR ORD CNY1	60,700	1,283,805	0.13
SHENZHOU INTERNATIONAL GROUP ORD HKD0.1	57,000	4,240,800	0.43
SINO BIOPHARMACEUTICAL LTD ORD HKD0.025	394,000	5,460,840	0.55
SINOPHARM GROUP CO H SHR ORD CNY1	104,000	3,515,200	0.35
TECHTRONIC INDUSTRIES CO LTD ORD HKD NPV	131,000	6,674,450	0.67
TENCENT HOLDINGS LTD ORD HKD0.00002	254,600	103,367,600	10.41

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**INVESTMENT PORTFOLIO (Unaudited) (Continued)**  
*As at 31 December 2017*

	<b>Holdings</b>	<b>Fair value HKD</b>	<b>% of net assets</b>
<b>Investments (99.32%) (Continued)</b>			
<b>Listed equities (99.32%) (Continued)</b>			
<b>Hong Kong (45.54%) (Continued)</b>			
TINGYI (CAYMAN ISLANDS) HOLDINGS CORP ORD USD0.005	162,000	2,462,400	0.25
TRAVELSKY TECHNOLOGY LTD H SHRS CNY1	81,000	1,899,450	0.19
WANT WANT CHINA HOLDINGS LTD ORD USD0.02	556,000	3,641,800	0.37
WH GROUP LTD ORD USD0.0001	613,000	5,406,660	0.54
WYNN MACAU LTD ORD HKD0.001	126,800	3,138,300	0.32
XINYI GLASS HLDGS CO LTD ORD HKD0.1	220,000	2,239,600	0.23
YUE YUEN INDUSTRIAL HLDGS LTD ORD HKD0.25	62,000	1,903,400	0.19
ZTE CORPORATION H ORD CNY1	65,800	1,931,230	0.19
		<hr/>	
		452,431,325	<hr/> 45.54 <hr/>
<b>USA (23.60%)</b>			
58.COM INC ADR	7,770	4,346,997	0.44
ALIBABA GROUP HOLDING LTD ORD	69,077	93,107,278	9.37
AUTOHOME INC-A COM USD0.01 1 ADR REPS 1SHRS	4,747	2,399,714	0.24
BAIDU INC ADR USD0.00005	23,871	43,703,214	4.40
BEIGENE LTD ADR (1 ADR REPS 2 SHS)	3,214	2,455,086	0.25
CHINA LODGING GROUP LTD ADR (1 ADR RE 4 SHS)	2,409	2,719,766	0.27
CTRIIP.COM INTL LTD ADR (1 ADR REPS 0.125 ORD SHRS)	35,145	12,115,448	1.22
JD.COM INC ADR	67,600	21,887,398	2.20
MELCO RESORTS & ENTERTAINMENT LTD	15,628	3,547,622	0.36
NETEASE INC ADR USD0.0001	6,472	17,457,540	1.76
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP ADR COM USD0.1	11,322	8,319,330	0.84
SINA CORP COM USD0.133	5,167	4,051,539	0.41
TAL EDUCATION GROUP ADR	24,353	5,655,779	0.57
VIPSHOP HOLDINGS LTD-ADR COM USD0.0001	33,037	3,026,673	0.30
WEIBO CORP SPON ORD USD0.00025	4,378	3,540,671	0.35
YY INC ADR USD0.00001 (1 ADR REPS 20 ORD SHRS)	3,712	3,280,608	0.33
ZTO EXPRESS CAYMAN INC-ADR (1 ADR REPS 1 ORD SHS)	23,352	2,893,281	0.29
		<hr/>	
		234,507,944	<hr/> 23.60 <hr/>
<b>Total investments</b>		986,748,485	99.32
<b>Other net assets</b>		6,713,287	0.68
		<hr/>	
<b>Net assets attributable to unitholders at 31 December 2017</b>		993,461,772	100.00 <hr/>
		<hr/>	
<b>Total investments, at cost</b>		893,047,818	

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)**  
*For the period from 6 December 2016 (date of inception) to 31 December 2017*

	<b>Holdings</b>				<b>31 December 2017</b>
	<b>6 December 2016 (date of inception)</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments</b>					
<b>Listed equities</b>					
58.COM INC ADR	-	7,836	-	66	7,770
AIA GROUP LTD ORD USD1	-	1,091,800	-	39,400	1,052,400
AIR CHINA LTD SHS H ORD CNY1	-	174,000	-	6,000	168,000
AISINO CO LTD ORD CNY1	-	100,100	-	2,700	97,400
ALIBABA GROUP HOLDING LTD ORD	-	87,044	-	17,967	69,077
ALIBABA PICTURES GROUP LTD ORD HKD0.25	-	280,000	-	280,000	-
ANTA SPORTS PRODUCTS LTD ORD HKD0.1	-	101,000	-	-	101,000
AUTOHOME INC-A COM USD0.01 1 ADR REPS 1SHRS	-	4,747	-	-	4,747
BAIDU INC ADR USD0.00005	-	24,514	-	643	23,871
BEIGENE LTD ADR (1 ADR REPS 2 SHS)	-	3,214	-	-	3,214
BEIJING ORIENT LANDSCAPE ORD CNY1	-	100,500	-	-	100,500
BEIJING TONGRENTANG CO ORD CNY1	-	58,460	-	1,100	57,360
BELLE INTERNATIONAL HOLDINGS LTD ORD HKD0.01	-	139,000	-	139,000	-
BRILLIANCE CHINA AUTOMOTIVE ORD USD0.01	-	264,000	-	8,000	256,000
BYD CO LTD H SHRS ORD CNY1	-	62,000	-	2,000	60,000
CGN POWER CO LTD H SHRS ORD CNY1	-	919,000	-	34,000	885,000
CHANGCHUN HIGH & NEW TECHNOLOGY INDUSTRIES INC ORD CNY1	-	11,600	-	-	11,600
CHINA EASTERN AIRLINES CO ORD CNY1	-	347,800	-	347,800	-
CHINA EASTERN AIRLINES H SHRS CNY1	-	138,000	-	-	138,000

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)**  
*For the period from 6 December 2016 (date of inception) to 31 December 2017*

	<b>Holdings</b>				<b>31 December 2017</b>
	<b>6 December 2016 (date of inception)</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments (Continued)</b>					
<b>Listed equities (Continued)</b>					
CHINA EVERBRIGHT INTERNATIONAL LTD ORD HKD0.1	-	239,000	-	8,000	231,000
CHINA EVERBRIGHT INTL NIL PAID RTS 31/12/2049	-	-	679	679	-
CHINA GRAND AUTOMOTIVE SERVICES CO A SHS ORD CNY1	-	199,311	-	-	199,311
CHINA INTERNATIONAL TRAVEL SERVICE ORD CNY1	-	68,700	9,200	11,500	66,400
CHINA LIFE INSURANCE CO H ORD CNY1	-	674,000	-	25,000	649,000
CHINA LODGING GROUP LTD ADR (1 ADR RE 4 SHS)	-	2,409	-	-	2,409
CHINA MEDIA GROUP A SHR ORD CNY1	-	37,100	-	-	37,100
CHINA MEDIA GROUP ORD CNY1	-	122,900	-	-	122,900
CHINA MEDICAL SYSTEM HOLDINGS LTD ORD USD0.005	-	117,000	-	-	117,000
CHINA MENGNIU DAIRY CO LTD ORD HKD0.1	-	245,000	-	9,000	236,000
CHINA MOBILE LTD ORD HKD0.1	-	500,500	-	18,500	482,000
CHINA NATIONAL NUCLEAR POWER CO LTD CHINA CONNECT ORD CNY1	-	372,700	-	6,400	366,300
CHINA PACIFIC INSURANCE GROUP CO LTD H SHS ORD CNY1	-	251,000	-	9,000	242,000
CHINA RESOURCES BEER HOLDINGS CO LTD ORD NPV	-	142,000	-	6,000	136,000
CHINA RESOURCES POWER HOLDINGS CO LTD ORD HKD1	-	160,000	-	4,000	156,000
CHINA SOUTHERN AIRLINES CO LTD H SHRS CNY1	-	174,000	-	-	174,000

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)**  
*For the period from 6 December 2016 (date of inception) to 31 December 2017*

	<b>Holdings</b>				<b>31 December 2017</b>
	<b>6 December 2016 (date of inception)</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments (Continued)</b>					
<b>Listed equities (Continued)</b>					
CHINA TAIPING INSURANCE HOLDINGS CO LTD ORD NPV	-	130,200	-	4,800	125,400
CHINA TELECOM CORP LTD H SHRS ORD CNY1	-	1,254,000	-	44,000	1,210,000
CHINA UNICOM (HONG KONG) ORD HKD0.1	-	536,000	-	14,000	522,000
CHINA UNITED NETWORK ORD CNY1	-	702,800	-	17,600	685,200
CHINA YANGTZE POWER CO LTD ORD CNY1	-	640,786	-	8,000	632,786
CHONGQING CHANGAN AUTOMOBILE CO LTD A SHR ORD CNY1	-	42,300	-	-	42,300
CHONGQING CHANGAN AUTOMOBILE CO LTD ORD CNY1	-	137,500	-	9,800	127,700
CITIC GUOAN INFORMATION A SHRS ORD CNY1	-	162,000	-	3,500	158,500
CITIC GUOAN INFORMATION INDUSTRY CO A SHS	-	52,200	-	2,300	49,900
CSPC PHARMACEUTICAL GROUP LTD ORD NPV	-	398,000	-	24,000	374,000
CTRIIP.COM INTL LTD ADR (1 ADR REPS 0.125 ORD SHRS)	-	35,284	-	139	35,145
DAQIN RAILWAY CO LTD ORD CNY1	-	511,600	-	19,200	492,400
DATANG INTL POWER GEN CO LTD - H SHRS CNY1	-	254,000	-	254,000	-
DHC SOFTWARE CO LTD A SHS ORD CNY1	-	17,400	17,400	-	34,800
DHC SOFTWARE CO LTD ORD CNY1	-	123,900	-	-	123,900
DONG-E-E-JIAO CO LTD ORD CNY1	-	34,100	-	700	33,400
DONGFENG MOTOR GROUP CO LTD H SHR ORD CNY1	-	258,000	-	10,000	248,000
DR PENG TELECOM & MEDIA GRP CO LTD ORD CNY1	-	113,500	-	2,400	111,100

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)**  
*For the period from 6 December 2016 (date of inception) to 31 December 2017*

	<b>Holdings</b>				<b>31 December 2017</b>
	<b>6 December 2016 (date of inception)</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments (Continued)</b>					
<b>Listed equities (Continued)</b>					
ETERNAL ASIA SUPPLY CHAIN MANAGEMENT LTD A SHR ORD CNY1	-	29,400	-	29,400	-
FIBERHOME TELECOM TECH CO ORD CNY1	-	47,600	-	-	47,600
FOSHAN HAITIAN FLAV & FOOD CO LTD ORD CNY1	-	54,200	-	-	54,200
FUYAO GLASS INDUSTRY GROUP CO LTD H SHRS ORD CNY1	-	10,400	-	10,400	-
FUYAO GROUP GLASS INDUSTR ORD CNY1	-	157,660	-	40,700	116,960
GALAXY ENTERTAINMENT GROUP LTD ORD NPV	-	243,000	-	15,000	228,000
GD POWER DEVELOPMENT CO ORD CNY1	-	930,500	-	5,600	924,900
GEELY AUTOMOBILE HOLDINGS LTD ORD HKD0.02	-	460,000	-	23,000	437,000
GREAT WALL MOTOR COMPANY LTD H SHRS ORD CNY1	-	281,000	-	11,000	270,000
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	-	91,300	-	-	91,300
GREE ELECTRIC APPLIANCES INC OF ZHUHAIY ORD CNY1	-	293,500	-	7,300	286,200
GUANGSHEN RAILWAY CO LTD ORD CNY1	-	270,700	-	9,600	261,100
GUANGZHOU AUTOMOBILE GROUP CO LTD H SHR ORD CNY1	-	200,000	-	24,000	176,000
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS LTD ORD CNY1	-	10,300	-	-	10,300
GUANGZHOU HAIGE COMMUNICATION GROUP ORD CNY1	-	32,000	-	32,000	-
HAIER ELECTRONICS GROUP CO LTD ORD HKD0.1	-	109,000	-	2,000	107,000



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*For the period from 6 December 2016 (date of inception) to 31 December 2017*

	<b>Holdings</b>				<b>31 December 2017</b>
	<b>6 December 2016 (date of inception)</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments (Continued)</b>					
<b>Listed equities (Continued)</b>					
HAINAN AIRLINES CO ORD CNY1	-	635,900	-	34,200	601,700
HANGZHOU ROBAM APPLIANCES CO LTD ORD CNY1	-	38,850	-	-	38,850
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	-	20,100	-	1,500	18,600
HENAN SHUANGHUI INVESTMENT A SHRS ORD CNY1	-	60,400	-	1,300	59,100
HENGAN INTERNATIONAL GROUP CO LTD ORD HKD0.1	-	69,000	-	6,000	63,000
HENG TONG OPTICELECTRIC CO ORD CNY1	-	80,300	-	27,300	53,000
HKT TRUST AND HKT LTD SHARE STAPLED UNIT	-	270,000	-	26,000	244,000
HUADIAN POWER INTERNATIONAL CORP H SHRS ORD CNY1	-	144,000	-	144,000	-
HUADONG MEDICINE CO LTD ORD CNY1	-	36,180	-	600	35,580
HUALAN BIOLOGICAL ENGINEER ORD CNY1	-	43,669	-	43,669	-
HUALAN BIOLOGICAL ENGINEERING INC A SHR ORD CNY1	-	10,300	-	10,300	-
HUANENG POWER INTERNATIONAL INC H SHRS ORD CNY1	-	380,000	-	12,000	368,000
HUAYU AUTOMOTIVE SYSTEMS ORD CNY1	-	115,400	-	-	115,400
HUMANWELL HEALTHCARE GROUP ORD CNY1	-	18,300	-	18,300	-
HUNDSUN TECHNOLOGIES INC ORD CNY1	-	48,400	-	10,200	38,200
IFLYTEK CO LTD A SHS ORD CNY1	-	19,600	-	19,600	-
IFLYTEK CO LTD ORD CNY1 SZHK	-	87,400	-	5,100	82,300

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*For the period from 6 December 2016 (date of inception) to 31 December 2017*

	<b>Holdings</b>				<b>31 December 2017</b>
	<b>6 December 2016 (date of inception)</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments (Continued)</b>					
<b>Listed equities (Continued)</b>					
INNER MONGOLIA YILI					
INDUS ORD CNY1	-	448,190	-	50,800	397,390
JD.COM INC ADR	-	85,309	-	17,709	67,600
JIANGSU HENGRUI					
MEDICINE C ORD CNY1	-	117,572	4,600	16,600	105,572
JIANGSU YANGHE					
BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	-	12,000	-	-	12,000
JIANGSU YANGHE					
BREWERY ORD CNY1	-	38,800	-	900	37,900
JILIN AODONG MEDICINE INDUSTRY GROUPS CO LTD A SHS ORD CNY1	-	15,400	4,080	1,800	17,680
JILIN AODONG PHARMACEUTICAL GROUP CO LTD ORD CNY1	-	57,500	-	1,200	56,300
JINYU BIO-TECHNOLOGY CO LT-A ORD CNY1	-	73,300	-	10,600	62,700
KANGMEI PHARMACEUTICAL CO ORD CNY1	-	255,277	-	9,477	245,800
KINGSOFT CORP LTD ORD USD0.0005	-	89,000	-	-	89,000
KWEICHOW MOUTAI CO LTD ORD CNY1	-	37,994	-	3,000	34,994
LI & FUNG LTD ORD HKD0.0125	-	668,000	-	136,000	532,000
LIAONING CHENG DA CO LTD ORD CNY1	-	107,038	-	5,800	101,238
LUZHOU LAOJIAO CO LTD A SHR ORD CNY1	-	16,200	-	1,300	14,900
LUZHOU LAOJIAO CO LTD ORD CNY1	-	48,500	-	7,200	41,300
MEINIAN ONEHEALTH HEALTHCARE HOLDINGS CO LTD A SHRS ORD CNY1	-	98,700	-	-	98,700
MELCO RESORTS & ENTERTAINMENT LTD	-	16,234	-	606	15,628
MIDEA GROUP CO LTD A SHRS ORD CNY1	-	67,300	-	4,800	62,500

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*For the period from 6 December 2016 (date of inception) to 31 December 2017*

	<b>Holdings</b>				<b>31 December 2017</b>
	<b>6 December 2016 (date of inception)</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments (Continued)</b>					
<b>Listed equities (Continued)</b>					
MIDEA GROUP CO LTD ORD CNY1	-	265,600	-	-	265,600
MINTH GROUP LTD ORD HKD0.1	-	60,000	-	-	60,000
MTR CORP LTD ORD NPV	-	132,000	-	1,000	131,000
NANJING XINJIEKOU DEPT ORD CNY1	-	10,800	-	-	10,800
NAVINFO CO LTD ORD CNY1	-	66,000	-	-	66,000
NETEASE INC ADR USD0.0001	-	6,702	-	230	6,472
NEW CHINA LIFE INSURANCE CO LTD H SHR ORD CNY1	-	70,100	-	7,000	63,100
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP ADR COM USD0.1 (1 ADR REPS 1 ORD SHS)	-	11,764	-	442	11,322
PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LTD H SHS ORD CNY1	-	631,000	-	23,000	608,000
PICC PROPERTY AND CASUALTY CO LTD H SHRS ORD CNY1	-	416,000	-	16,000	400,000
PING AN INSURANCE (GROUP) CO OF CHINA LTD H SHR COM CNY1	-	458,500	-	17,000	441,500
QINGDAO HAIER CO LTD ORD CNY1	-	292,300	-	-	292,300
SAIC MOTOR CORP LTD ORD CNY1	-	274,900	-	30,500	244,400
SANDS CHINA LTD ORD USD0.01	-	219,600	-	8,400	211,200
SDIC POWER HOLDINGS CO LTD ORD CNY1	-	288,124	-	10,100	278,024
SEARAINBOW HOLDING CORP A SHR ORD CNY1	-	14,600	-	1,800	12,800
SEARAINBOW HOLDING CORP ORD CNY1	-	40,500	-	-	40,500
SHANDONG DONG-E E-JIAO CO LTD A SHR ORD CNY1	-	11,400	-	900	10,500

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*For the period from 6 December 2016 (date of inception) to 31 December 2017*

	<b>Holdings</b>				<b>31 December 2017</b>
	<b>6 December 2016 (date of inception)</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments (Continued)</b>					
<b>Listed equities (Continued)</b>					
SHANGHAI FOSUN PHARMACEUTI ORD CNY1	-	93,298	-	93,298	-
SHANGHAI FOSUN PHARMACEUTICAL GROUP CO LTD H SHRS ORD CNY1	-	32,500	-	-	32,500
SHANGHAI INTERNATIONAL AIR ORD CNY1	-	59,118	-	8,700	50,418
SHANGHAI JAHWA UNITED CO LTD A SHR ORD CNY1	-	42,223	-	-	42,223
SHANGHAI ORIENTAL PEARL MEDIA CO LTD ORD CNY1	-	154,267	-	4,600	149,667
SHANGHAI PHARMACEUTICALS HOLDING CO LTD H SHR ORD CNY1	-	60,700	-	-	60,700
SHANGHAI PHARMACEUTICALS ORD CNY1	-	86,963	-	86,963	-
SHANGHAI RAAS BLOOD PRODUC ORD CNY1	-	73,557	-	-	73,557
SHANGHAI RAAS BLOOD PRODUCTS CO LTD A SHR ORD CNY1	-	19,100	-	19,100	-
SHENZHEN OVERSEAS CHINESE TOWN CO LTD A SHR ORD CNY1	-	79,700	-	16,300	63,400
SHENZHEN OVERSEAS CHINESE TOWN CO LTD ORD CNY1	-	205,700	-	4,500	201,200
SHENZHOU INTERNATIONAL GROUP ORD HKD0.1	-	58,000	-	1,000	57,000
SICHUAN CHANGHONG ELECTRIC ORD CNY1	-	76,100	-	76,100	-
SICHUAN CHUANTOU ENERGY CO ORD CNY1	-	194,900	-	6,900	188,000
SINA CORP COM USD0.133	-	6,614	-	1,447	5,167
SINO BIOPHARMACEUTICAL LTD ORD HKD0.025	-	401,000	-	7,000	394,000

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*For the period from 6 December 2016 (date of inception) to 31 December 2017*

	<b>Holdings</b>				<b>31 December 2017</b>
	<b>6 December 2016 (date of inception)</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments (Continued)</b>					
<b>Listed equities (Continued)</b>					
SINOPHARM GROUP CO H SHR ORD CNY1	-	107,600	-	3,600	104,000
SUNING COMMERCE GROUP CO LTD A SHR ORD CNY1	-	73,600	-	5,600	68,000
SUNING COMMERCE GROUP CO ORD CNY1	-	220,800	-	29,100	191,700
SUOFEIYA HOME COLLECTION CO LTD ORD CNY1	-	41,892	-	-	41,892
TAL EDUCATION GROUP ADR	-	19,617	4,770	34	24,353
TASLY PHARMACEUTICAL GROUP ORD CNY1	-	49,500	-	2,400	47,100
TCL CORP A SHR ORD CNY1	-	178,400	-	4,700	173,700
TCL CORP ORD CNY1	-	558,500	-	40,200	518,300
TECHTRONIC INDUSTRIES CO LTD ORD HKD NPV	-	136,000	-	5,000	131,000
TENCENT - PREF OFFER 2017 NIL PAID RTS 31/12/2049	-	-	56	56	-
TENCENT HOLDINGS LTD ORD HKD0.00002	-	308,400	-	53,800	254,600
TINGYI (CAYMAN ISLANDS) HOLDINGS CORP ORD USD0.005	-	162,000	-	-	162,000
TONGHUA DONGBAO PHARMACEUT ORD CNY1	-	95,876	3,920	1,600	98,196
TRAVELSKY TECHNOLOGY LTD H SHRS CNY1	-	82,000	-	1,000	81,000
TSINGTAO BREWERY CO LTD H SHRS ORD ORD CNY1	-	8,000	-	8,000	-
TSINGTAO BREWERY CO LTD ORD CNY1	-	25,300	-	400	24,900
TUS SOUND ENVIRONMEN RES A SHRS ORD CNY1	-	48,100	-	-	48,100
VIPSHOP HOLDINGS LTD- ADR COM 0.0001 USD (1 RECEIPT=0.2 SHS)	-	33,879	-	842	33,037
WANDA FILM HOLDING CO LTD A SHRS ORD CNY1	-	7,100	-	7,100	-

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	<b>Holdings</b>				<b>31 December 2017</b>
	<b>6 December 2016 (date of inception)</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments (Continued)</b>					
<b>Listed equities (Continued)</b>					
WANDA FILM HOLDING CO LTD ORD CNY1	-	7,100	-	-	7,100
WANT WANT CHINA HOLDINGS LTD ORD USD0.02	-	576,000	-	20,000	556,000
WEIBO CORP SPON ORD USD0.00025	-	4,584	-	206	4,378
WH GROUP LTD ORD USD0.0001	-	636,500	-	23,500	613,000
WULIANGYE YIBIN CO LTD A SHRS ORD CNY1	-	113,200	-	2,500	110,700
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	-	37,700	-	2,800	34,900
WYNN MACAU LTD ORD HKD0.001	-	128,800	-	2,000	126,800
XINYI GLASS HLDGS CO LTD ORD HKD0.1	-	220,000	-	-	220,000
YONGHUI SUPERSTORES CO LTD ORD CNY1	-	283,600	-	-	283,600
YONYOU NETWORK TECHNOLOGY CO LTD A SHRS ORD CNY1	-	71,456	-	-	71,456
YONYOU NETWORK TECHNOLOGY CO LTD ORD CNY1	-	16,500	-	16,500	-
YUAN LONGPING HIGHTECH AG ORD CNY1	-	62,400	-	-	62,400
YUE YUEN INDUSTRIAL HLDGS LTD ORD HKD0.25	-	63,000	-	1,000	62,000
YUM CHINA HOLDINGS INC COM USD0.01	-	32,275	-	32,275	-
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	-	8,700	-	8,700	-
YUNNAN BAIYAO GROUP CO LTD ORD CNY1	-	34,200	-	600	33,600
YY INC ADR USD0.00001 (1 ADR REPS 20 ORD SHRS)	-	3,712	-	-	3,712
ZHEJIANG NHU CO LTD ORD CNY1	-	39,900	-	-	39,900
ZHEJIANG WANFENG AUTO ORD CNY1	-	97,140	-	-	97,140

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	<b>Holdings</b>				<b>31 December 2017</b>
	<b>6 December 2016 (date of inception)</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments (Continued)</b>					
<b>Listed equities (Continued)</b>					
ZHEJIANG ZHENENG ELECTRIC POWE ORD CNY1	-	265,300	-	265,300	-
ZTE CORPORATION H ORD CNY1	-	84,000	-	18,200	65,800
ZTO EXPRESS CAYMAN INC-ADR (1 ADR REPS 1 ORD SHS)	-	23,352	-	-	23,352

**ICBC CSOP S&P NEW CHINA SECTORS ETF**  
**(FORMERLY KNOWN AS 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 period ended		
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 period ended		
31 December 2017 (Since 6 December 2016 (date of inception))	79.0207	47.1996



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

**MANAGEMENT AND ADMINISTRATION**

**Manager and RQFII Holder**

CSOP Asset Management Limited  
Suite 2801 - 2803, Two Exchange Square  
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Hong Kong

**Investment Adviser**

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Hong Kong

**Trustee and Registrar**

HSBC Institutional Trust Services (Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Custodian**

The Hongkong and Shanghai Banking Corporation  
Limited  
1 Queen's Road Central  
Hong Kong

**PRC Custodian**

HSBC Bank (China) Company Limited  
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Pudong, Shanghai, China 200120

**Service Agent**

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1st Floor, One & Two Exchange Square  
8 Connaught Place  
Central, Hong Kong

**Listing Agent**

Altus Capital Limited  
21 Wing Wo Street,  
Central, Hong Kong

**Directors of the Manager**

Benoit Descourtieux (resigned on 7 November 2017)  
Chen Ding  
Gaobo Zhang  
Haipeng Li (resigned on 7 November 2017)  
Liangyu Gao (resigned on 1 September 2017)  
Xiaosong Yang (appointed on 7 November 2017)  
Xiuyan Liu (appointed on 7 November 2017)  
Yi Zhou (appointed on 7 November 2017)  
Zengtao Wu (resigned on 7 November 2017)  
Zhiwei Liu (appointed on 7 November 2017)  
Zhongping Cai

**Legal Adviser to the Manager**

Deacons  
5th Floor, Alexandra House  
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**Auditor**

**PricewaterhouseCoopers**  
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