

CICC KraneShares ETF Trust

CICC KraneShares CSI China Internet Index ETF

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

For the six months ended 30 June 2021

Unaudited Interim Report

Contents	Page(s)
Administration and management	1
Manager's report	2
Statements of assets and liabilities	3
Statements of comprehensive income	4
Statements of changes in equity	5
Statements of cash flows	6 – 7
Portfolio statement	8 – 10
Statements of movements in portfolio holdings	11 – 14
Performance record	15
Investment limitation and prohibitions under the SFC Code	16
Basis of preparation	17

Administration and management

Manager

China International Capital Corporation
Hong Kong Asset Management Limited
29/F, One International Finance Center
1 Harbour View Street
Central
Hong Kong

Director of the Manager

Mr. Feng Ping
Mr. Lin Ning
Ms. Ma Kui
Mr. Wong King Fung

Trustee and Registrar

Brown Brothers Harriman Trustee Services
(Hong Kong) Limited
13/F, Man Yee Building
68 Des Voeux Road Central
Central
Hong Kong

Service Agent

HK Conversion Agency Services Limited
1/F, One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

Sub-Manager

Krane Funds Advisors, LLC
1270 Ave of the Americas
Suite 2217
New York
NY 10020

Legal Counsel to the Manager

Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

Auditor

KPMG
8/F, Prince's Building
10 Chater Road
Central
Hong Kong

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

Manager's report

CICC KraneShares CSI China Internet Index ETF

Introduction

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

Performance of the Sub-Fund

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

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

	YTD	1-month	3-month	6-month	1-year	Inception ¹
Sub-Fund's Total Return (%)	(9.65)%	(1.22)%	(7.63)%	(9.65)%	13.08%	20.66%
Index Benchmark (%)	(9.62)%	(1.14)%	(7.57)%	(9.62)%	13.89%	24.47%
	(0.03)%	(0.08)%	(0.06)%	(0.03)%	(0.81)%	(3.81)%

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

Activities of the Index

The CSI Overseas China Internet Index underwent two reviews during the period. As of 30 June 2021, the Sub-Fund held all constituents in the CSI Overseas China Internet Index.

China International Capital Corporation Hong Kong Asset Management Limited
31 August 2021

Statements of assets and liabilities as at 30 June 2021 and 31 December 2020

	30 June 2021 (Unaudited) USD	31 December 2020 USD
Assets		
Financial assets at fair value through profit or loss	2,941,346	4,974,432
Cash and cash equivalents	2,688	101,190
Amount due from brokers	4,640	—
Dividend receivables	19	—
Management fee reimbursement receivables	146,057	77,158
Other receivables and prepayments	2,484	2,300
Total assets	3,097,234	5,155,080
Liabilities		
Audit fee payables	(11,530)	(22,585)
Administration fee payables	(28,029)	(64,439)
Trustee and registrar fees payables	(3,085)	(6,663)
Custody fee payables	(8,689)	(20,000)
Transaction costs payables	(4,478)	(6,775)
Other payables and accruals	(26,841)	(30,053)
Total liabilities	(82,652)	(150,515)
Net assets attributable to unitholders	3,014,582	5,004,565
Representing:		
Total equity	3,014,582	5,004,565
Total number of units in issue	250,000	375,000
Net asset value per unit	12.06	13.35

Statements of comprehensive income for the six months ended 30 June 2021 and year ended 31 December 2020

	<i>For the six months ended 30 June 2021 (Unaudited) USD</i>	<i>Year ended 31 December 2020 USD</i>
Income		
Interest income	–	12
Dividend income	2,953	14,834
Other income	1,315	3,712
Net gains from financial assets at fair value through profit or loss	59,636	3,112,944
Net foreign exchange losses	(82)	(153)
Total net income	63,822	3,131,349
Expenses		
Management fee	(13,529)	(44,911)
Transaction costs	(2,338)	(7,998)
Total operating expenses	(15,867)	(52,909)
Taxation	–	–
Increase in net assets attributable to unitholders and total comprehensive income for the period	47,955	3,078,440

Statements of changes in equity for the six months ended 30 June 2021 and year ended 31 December 2020

	<i>For the six months ended 30 June 2021 (Unaudited) USD</i>	<i>Year ended 31 December 2020 USD</i>
Net assets attributable to unitholders at the beginning of the period	5,004,565	6,283,262
Subscription of units	—	—
Redemption of units	(2,037,938)	(4,357,137)
Increase in net assets attributable to unitholders and total comprehensive income for the period	47,955	3,078,440
Net assets attributable to unitholders at the end of the period	3,014,582	5,004,565
Units issued and redeemed		
Balance at the beginning of the period	375,000	750,000
Subscription of units	—	—
Redemption of units	(125,000)	(375,000)
Balance at the end of the period	250,000	375,000

Statements of cash flows for the six months ended 30 June 2021 and year ended 31 December 2020

	<i>For six months ended 30 June 2021 (Unaudited) USD</i>	<i>Year ended 31 December 2020 USD</i>
Operating activities		
Increase in net assets attributable to unitholders and total comprehensive income for the period	47,955	3,078,440
Adjustments for:		
Net gains from financial assets at fair value through profit or loss	(59,636)	(3,112,944)
Operating losses before changes in working capital	(11,681)	(34,504)
Purchase of financial assets at fair value through profit or loss	(826,579)	(2,873,012)
Proceeds from sale of financial assets at fair value through profit or loss	2,919,301	7,288,378
Increase in amount due from brokers	(4,640)	–
Increase in dividend receivables	(19)	–
(Increase)/decrease in management fee reimbursement receivables	(68,899)	118,276
Increase in other receivables and prepayments	(184)	(2,300)
(Decrease)/increase in audit fee payables	(11,055)	755
(Decrease)/increase in administration fee payables	(36,410)	48,342
(Decrease)/increase in trustee and registrar fees payables	(3,578)	5,101
Decrease in establishment cost payables	–	(133,125)
(Decrease)/increase in custody fee payables	(11,311)	15,000
(Decrease)/increase in transaction costs payables	(2,297)	5,298
(Decrease)/increase in other payables and accruals	(3,212)	10,170
Net cash flows generated from operating activities	1,939,436	4,448,379

Statements of cash flows for the six months ended 30 June 2021 and year ended 31 December 2020 (continued)

	<i>For six months ended 30 June 2021 (Unaudited) USD</i>	<i>Year ended 31 December 2020 USD</i>
Cash flows from financing activities		
Proceeds from subscription of units	–	–
Payment for redemption of units	(2,037,938)	(4,357,137)
Net cash flows used in financing activities	(2,037,938)	(4,357,137)
Net (decrease)increase in cash and cash equivalents	(98,502)	91,242
Cash and cash equivalents at the beginning of the period	101,190	9,948
Cash and cash equivalents at the end of the period	2,688	101,190
Analysis of cash and cash equivalents		
Cash at bank	2,688	101,190
Net cash flows from operating activities include:		
Interest income	–	12
Dividend income	2,953	14,834

Portfolio statement as at 30 June 2021

<i>Investments</i>	<i>Holdings</i>	<i>Fair Value USD</i>	<i>% of Net Assets</i>
<u>Financial assets at fair value through profit or loss</u>			
Listed securities			
Common Stocks			
The United States of America			
Communication Services			
Autohome Inc	409	26,160	0.87%
Baidu Inc	618	126,010	4.18%
Bilibili Inc	1,091	132,928	4.41%
DouYu International Holdings Ltd	1,006	6,881	0.23%
HUYA Inc	461	8,137	0.27%
iQIYI Inc	2,338	36,426	1.21%
JOYY Inc	362	23,881	0.79%
Momo Inc	891	13,641	0.45%
NetEase Inc	1,011	116,518	3.86%
Tencent Music Entertainment Group	3,956	61,239	2.03%
Weibo Corp	435	22,890	0.76%
Zhihu Inc	2,659	36,056	1.20%
Total Communication Services		610,767	20.26%
Consumer Discretionary			
17 Education & Technology Group Inc	1,175	4,289	0.14%
Alibaba Group Holding Ltd	1,190	269,868	8.95%
Baozun Inc	375	13,290	0.44%
Dada Nexus Ltd	576	16,710	0.55%
Gatou Techedu Inc	878	12,968	0.43%
JD.com Inc	2,331	186,037	6.17%
Pinduoduo Inc	1,594	202,470	6.72%
TAL Education Group	2,866	72,309	2.40%
Trip.com Group Ltd	3,112	110,351	3.66%
Vipshop Holdings Ltd	2,825	56,726	1.88%
Youdao Inc	517	11,938	0.40%
Total Consumer Discretionary		956,956	31.74%
Financials			
360 DigiTech Inc	723	30,250	1.00%
Lufax Holding Ltd	4,317	48,782	1.62%
Total Financials		79,032	2.62%
Industrials			
51job Inc	214	16,643	0.55%
Total Industrials		16,643	0.55%

Portfolio statement as at 30 June 2021 (continued)

<i>Investments</i>	<i>Holdings</i>	<i>Fair Value USD</i>	<i>% of Net Assets</i>
Financial assets at fair value through profit or loss			
Listed securities (continued)			
Common Stocks (continued)			
The United States of America (continued)			
Information Technology			
21Vianet Group Inc	849	19,484	0.65%
Agora Inc	557	23,372	0.77%
Chindata Group Holdings Ltd	914	13,792	0.46%
Kingsoft Cloud Holdings Ltd	624	21,172	0.70%
Total Information Technology		77,820	2.58%
Real Estate			
KE Holdings Inc	2,597	123,825	4.11%
Total Real Estate		123,825	4.11%
Total The United States of America		1,865,043	61.86%
Hong Kong			
Communication Services			
Alibaba Pictures Group Ltd	85,333	11,868	0.39%
Archosaur Games Inc	2,000	3,822	0.13%
China Literature Ltd	3,169	35,240	1.17%
Kuaishou Technology	4,400	110,381	3.66%
Tencent Holdings Ltd	3,673	276,240	9.16%
XD Inc	1,400	12,350	0.41%
Total Communication Services		449,901	14.92%
Consumer Discretionary			
JD Health International Inc	7,567	108,461	3.60%
Koolearn Technology Holding Ltd	3,000	3,759	0.13%
Meituan	5,883	242,742	8.05%
Tongcheng-Elong Holdings Ltd	7,333	18,358	0.61%
Total Consumer Discretionary		373,320	12.39%
Financials			
ZhongAn Online P&C Insurance Co Ltd	4,200	23,772	0.79%
Total Financials		23,772	0.79%
Health Care			
Alibaba Health Information Technology Ltd	25,333	56,179	1.86%
Ping An Healthcare & Technology Co Ltd	3,433	42,751	1.42%
Yidu Tech Inc	3,200	16,814	0.56%
Total Health Care		115,744	3.84%

Portfolio statement as at 30 June 2021 (continued)

<i>Investments</i>	<i>Holdings</i>	<i>Fair Value</i>	<i>% of</i>
		<i>USD</i>	<i>Net Assets</i>
<u>Financial assets at fair value through profit or loss</u>			
Listed securities (continued)			
Common Stocks (continued)			
Hong Kong (continued)			
Information Technology			
Kingsoft Corp Ltd	6,183	37,066	1.23%
Ming Yuan Cloud Group Holdings Ltd	7,333	36,405	1.21%
Weimob Inc	14,000	30,866	1.02%
Yeahka Ltd	1,467	9,229	0.31%
Total Information Technology		113,566	3.77%
Total Hong Kong		1,076,303	35.71%
Total Common Stocks		2,941,346	97.57%
Total investments, at fair value		2,941,346	97.57%
Other assets		73,236	2.43%
Net assets attributable to unitholders		3,014,582	100.00%
Total investments, at cost		2,689,068	

Statement of movements in portfolio holdings for the six months ended 30 June 2021 (Unaudited)

<i>Investments</i>	<i>Beginning holding balance as at 31 December 2020</i>	<i>Additions</i>	<i>Corporate Actions</i>	<i>Disposals</i>	<i>Closing holding balance as at 30 June 2021</i>
17 Education & Technology					
Group Inc	–	1,175	–	–	1,175
21Vianet Group Inc	–	849	–	–	849
360 DigiTech Inc	–	723	–	–	723
51job Inc	386	–	–	(172)	214
Agora Inc	830	135	–	(408)	557
Alibaba Group Holding Ltd	1,659	409	–	(878)	1,190
Alibaba Health Information Technology Ltd	46,999	2,000	–	(23,666)	25,333
Alibaba Pictures Group Ltd	157,999	–	–	(72,666)	85,333
Archosaur Games Inc	3,000	–	–	(1,000)	2,000
Autohome Inc	688	20	–	(299)	409
Baidu Inc	1,024	187	–	(593)	618
Baozun Inc	674	–	–	(299)	375
Bilibili Inc	2,335	37	–	(1,281)	1,091
China Literature Ltd	5,954	200	–	(2,985)	3,169
Chindata Group Holdings Ltd	1,746	–	–	(832)	914
Dada Nexus Ltd	1,078	–	–	(502)	576
DouYu International Holdings Ltd	1,837	–	–	(831)	1,006
Gatou Techedu Inc	1,105	291	–	(518)	878
HUYA Inc	815	–	–	(354)	461
iQIYI Inc	3,436	464	–	(1,562)	2,338
JD Health International Inc	10,750	600	–	(3,783)	7,567
JD.com Inc	3,584	928	–	(2,181)	2,331
JOYY Inc	669	–	–	(307)	362
KE Holdings Inc	3,047	839	–	(1,289)	2,597
Kingsoft Cloud Holdings Ltd	1,032	55	–	(463)	624
Kingsoft Corp Ltd	10,774	1,000	–	(5,591)	6,183
Koolearn Technology Holding Ltd	4,500	–	–	(1,500)	3,000
Kuaishou Technology	–	4,600	–	(200)	4,400
Lufax Holding Ltd	8,643	–	–	(4,326)	4,317
Meituan	10,625	1,700	–	(6,442)	5,883
Ming Yuan Cloud Group Holdings Ltd	14,000	–	–	(6,667)	7,333
Momo Inc	1,693	–	–	(802)	891
NetEase Inc	2,201	–	–	(1,190)	1,011
Pinduoduo Inc	2,295	200	–	(901)	1,594
Ping An Healthcare & Technology Co Ltd	6,650	–	–	(3,217)	3,433

Statement of movements in portfolio holdings for the six months ended 30 June 2021 (Unaudited) (continued)

<i>Investments</i>	<i>Beginning holding balance as at 31 December 2020</i>	<i>Additions</i>	<i>Corporate Actions</i>	<i>Disposals</i>	<i>Closing holding balance as at 30 June 2021</i>
SINA Corp	682	–	–	(682)	–
TAL Education Group	2,849	1,008	–	(991)	2,866
Tencent Holdings Ltd	6,410	–	–	(2,737)	3,673
Tencent Music Entertainment Group	5,751	764	–	(2,559)	3,956
Tongcheng–Elong Holdings Ltd	12,800	–	–	(5,467)	7,333
Trip.com Group Ltd	5,636	145	–	(2,669)	3,112
Vipshop Holdings Ltd	5,342	–	–	(2,517)	2,825
Weibo Corp	785	–	–	(350)	435
Weimob Inc	21,000	2,000	–	(9,000)	14,000
XD Inc	–	1,400	–	–	1,400
Yeahka Ltd	2,800	–	–	(1,333)	1,467
Yidu Tech Inc	–	3,200	–	–	3,200
Youdao Inc	–	517	–	–	517
Zhihu Inc	–	3,760	–	(1,101)	2,659
ZhongAn Online P&C Insurance Co Ltd	16,800	300	–	(12,900)	4,200

Statement of movements in portfolio holdings for the year ended 31 December 2020 (Unaudited)

<i>Investments</i>	<i>Beginning holding balance as at 31 December 2019</i>	<i>Additions</i>	<i>Corporate Actions</i>	<i>Disposals</i>	<i>Closing holding balance as at 31 December 2020</i>
21 Vianet Group	–	2,574	–	(2,574)	–
360 Finance Inc	2,458	–	–	(2,458)	–
51job Inc	1,111	90	–	(815)	386
58.com Inc	3,615	299	–	(3,914)	–
Agora Inc	–	931	–	(101)	830
Alibaba Group Holding Ltd	2,947	736	–	(2,024)	1,659
Alibaba Health Information Technology Ltd	–	136,000	–	(89,001)	46,999
Alibaba Pictures Group Ltd	486,000	30,000	–	(358,001)	157,999
Archosaur Games Inc	–	3,000	–	–	3,000
Autohome Inc	2,027	204	–	(1,543)	688
Baidu Inc	3,575	246	–	(2,797)	1,024
Baozun Inc	1,548	222	–	(1,096)	674
Bilibili Inc	7,901	494	–	(6,060)	2,335
Bitauto Holdings Ltd	1,297	–	–	(1,297)	–
China Literature Ltd	13,910	3,600	–	(11,556)	5,954
Chindata Group Holdings Ltd	–	1,960	–	(214)	1,746
Dada Nexus Ltd	–	1,150	–	(72)	1,078
DouYu International Holdings Ltd	5,205	409	–	(3,777)	1,837
Fanhua Inc	1,974	–	–	(1,974)	–
FinVolution Group	6,768	–	–	(6,768)	–
GSX Techedu Inc	3,416	796	–	(3,107)	1,105
HUYA Inc	2,402	223	–	(1,810)	815
iQIYI Inc	10,542	857	–	(7,963)	3,436
JD Health International Inc	–	10,750	–	–	10,750
JD.com Inc	10,921	354	–	(7,691)	3,584
JOYY Inc	2,351	105	–	(1,787)	669
KE Holdings Inc	–	3,772	–	(725)	3,047
Kingsoft Cloud Holdings Ltd	–	1,087	–	(55)	1,032
Kingsoft Corp Ltd	26,550	5,000	–	(20,776)	10,774
Koolearn Technology Holding Ltd	13,000	1,000	–	(9,500)	4,500
LexinFintech Holdings Ltd	4,218	–	–	(4,218)	–
Lufax Holding Ltd	–	11,302	–	(2,659)	8,643
Maoyan Entertainment	21,800	–	–	(21,800)	–
Meituan	37,050	2,100	–	(28,525)	10,625
Ming Yuan Cloud Group Holdings Ltd	–	17,000	–	(3,000)	14,000
Momo Inc	6,106	493	–	(4,906)	1,693
NetDragon Websoft Holdings Ltd	9,125	–	–	(9,125)	–

Statement of movements in portfolio holdings for the year ended 31 December 2020 (Unaudited) (continued)

<i>Investments</i>	<i>Beginning holding balance as at 31 December 2019</i>	<i>Additions</i>	<i>Corporate Actions</i>	<i>Disposals</i>	<i>Closing holding balance as at 31 December 2020</i>
Pinduoduo Inc	6,491	711	–	(4,907)	2,295
Ping An Healthcare & Technology Co Ltd	–	14,700	–	(8,050)	6,650
Qudian Inc	9,458	–	–	(9,458)	–
Qutoutiao Inc	5,267	–	–	(5,267)	–
SINA Corp	2,430	175	–	(1,923)	682
Sogou Inc	4,236	–	–	(4,236)	–
So-Young International Inc	2,227	–	–	(2,227)	–
TAL Education Group	5,184	740	–	(3,075)	2,849
Tencent Holdings Ltd	12,120	1,200	–	(6,910)	6,410
Tencent Music Entertainment Group	11,890	5,515	–	(11,654)	5,751
Tongcheng-Elong Holdings Ltd	32,400	4,400	–	(24,000)	12,800
Trip.com Group Ltd	7,318	5,174	–	(6,856)	5,636
Uxin Ltd	10,066	–	–	(10,066)	–
Vipshop Holdings Ltd	16,725	1,416	–	(12,799)	5,342
Weibo Corp	2,473	133	–	(1,821)	785
Weimob Inc	54,000	23,000	–	(56,000)	21,000
Wise Talent Information Technology Ltd	–	4,000	(4,000)	–	–
XD Inc	–	5,000	–	(5,000)	–
Yeahka Ltd	–	2,800	–	–	2,800
Yixin Group Ltd	89,775	–	–	(89,775)	–
Youdao Inc	–	694	–	(694)	–
Yunji Inc	3,195	–	–	(3,195)	–
ZhongAn Online P&C Insurance Co Ltd	13,420	18,800	–	(15,420)	16,800

Performance record (Unaudited)

1 Price record

<i>During the period/year ended</i>	<i>Highest net asset value per unit USD</i>	<i>Lowest net asset value per unit USD</i>
30 June 2021	17.86	11.47
31 December 2020	13.41	6.98
31 December 2019	8.53	6.25
31 December 2018 ¹	11.09	6.40

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

2 Total net asset value and net asset value per unit

<i>As at</i>	<i>Total net asset value USD</i>	<i>Net asset value per unit USD</i>
30 June 2021	3,014,582	12.06
31 December 2020 (Audited)	5,004,565	13.35
31 December 2019 (Audited)	6,283,262	8.38
31 December 2018 (Audited)	6,494,029	6.49

3 Performance of the Sub-Fund and the underlying index

<i>For the six months ended 30 June 2021</i>		<i>Performance</i>
CICC KraneShares CSI China Internet Index ETF		(9.65)%
CSI Overseas China Internet Index		<u>(9.62)%</u>
<i>For the year ended 31 December 2020</i>		<i>Performance</i>
CICC KraneShares CSI China Internet Index ETF		59.30%
CSI Overseas China Internet Index		<u>61.32%</u>

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

Investment limitation and prohibitions under the SFC Code (Unaudited)

None of the constituent stocks held by CICC KraneShares CSI China Internet Index ETF accounted for more than 10% of the underlying index as at 30 June 2021

Basis of preparation (Unaudited)

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

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

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

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