

CSOP ETF SERIES

(An umbrella unit trust established in Hong Kong)

CSOP CES CHINA A80 ETF

(A sub-fund of CSOP ETF Series)

Annual Report

FOR THE PERIOD FROM 27 AUGUST 2013 (DATE OF
INCEPTION) TO 31 DECEMBER 2013

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

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**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The CSOP CES China A80 ETF (the "CSOP A80 ETF"), 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 27 August 2013 and commenced trading in RMB under the stock code 83137 on The Stock Exchange of Hong Kong Limited (the "SEHK") on 23 September 2013; following the SEHK's dual counter model, the CSOP A80 ETF started trading in HKD under the stock code 03137 on the SEHK on 23 September 2013. The CSOP A80 ETF is benchmarked against the CES China A80 Index (the "A80 Index") and adopts the full-replication strategy. The Manager and RQFII Holder of the CSOP A80 ETF is CSOP Asset Management Limited (the "Manager"). The trustee is HSBC Institutional Trust Services (Asia) Limited (the "Trustee").

The CSOP A80 ETF is a physical ETF which invests directly in the A80 Index securities through the RQFII quotas of the Manager. Under current regulations in the PRC, foreign investors can invest only in the domestic securities market through certain qualified foreign institutional investors that have obtained status as a QFII or a RQFII from the CSRC and have been granted quota(s) by 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. The Manager has obtained RQFII status and the total RQFII quotas obtained by the Manager amount to RMB 2 billion for the CSOP A80 ETF of 31 December 2013.

The CES China A80 Index (the "Index") is compiled and published by China Securities Index Co.,Ltd. It comprises the top 80 A-Share companies from both the Shanghai and Shenzhen markets by market capitalisation. The Index operates under clearly defined rules published by the index provider and is a tradable index.

Capital Gains Tax ("CGT") Treatment

Specific rules governing taxes on capital gains derived by QFIIs or RQFIIs from the trading of PRC Securities (including China A-Shares) have yet to be announced. It is possible that the relevant tax authorities may in the future clarify the tax position on capital gains realised by the Sub-Fund dealing in PRC Securities or by a relevant QFII from dealing in PRC Securities. In the absence of such specific rules, the CGT should be governed by the general tax provisions of the PRC CIT Law, according to the Manager's tax adviser. Therefore, the Manager provisioned to withhold 10% of realised and unrealised capital gains since inception date of the CSOP A80 ETF to 14 February 2014. As a result of the development of RQFII regime, the Manager reassessed the CGT provisioning approach and reversed previously provided withholding tax on realised and unrealised capital gains on 17 February 2014.

With the uncertainties under the applicable PRC tax laws and the possibility of such laws being changed and taxes being applied retrospectively, the provision for taxation made by the Manager may be excessive or inadequate to meet actual PRC tax liabilities on gains derived from investments held by the CSOP A80 ETF. Upon any future resolution of the abovementioned uncertainty or further changes to tax law or policies, the Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary. As a result, investors may be advantaged or disadvantaged depending on the final rules of the relevant PRC tax authorities since the net asset value of the CSOP A80 ETF may be affected. The Manager reasonably believes the current provision is adequate and will monitor the situation closely.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

Fund Performance

The CSOP A80 ETF seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As of 31 December 2013, the dealing Net Asset Value (“NAV”) per unit of the CSOP A80 ETF was RMB 20.2778 and there were 15,300,000 units outstanding. The total asset under management was approximately RMB 310 million.

For the period from 23 September 2013 (date of listing) to 31 December 2013, the NAV of CSOP A80 ETF RMB counter (stock code 83137) performed -8.23% while the index performed -7.96%. The difference in performance between the NAV of the CSOP A80 ETF and the Index is mainly attributed to dividends, fees and expenses, including tax on dividends and CGT withholding. YTD Price return of the RMB counter (stock code 83137) was -8.41%.

Exchange Liquidity

Since inception, the CSOP A80 ETF has attracted great investor attention from investors across the globe. The trading value of the RMB counter (stock code: 83137) remained steadily at an average daily turnover of RMB 3 million in December 2013. The trading value of the HKD counter (stock code: 03137) remained steadily at an average daily turnover of HKD 5 million in December 2013. The trading volume for the CSOP A80 ETF reflected strong interest in the CSOP A80 ETF.

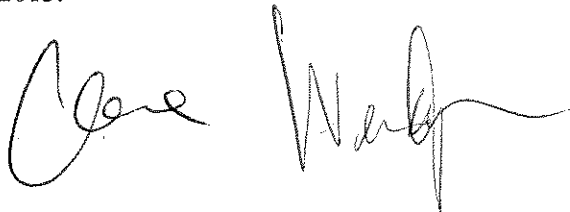
Portfolio Rebalance

The CSOP A80 ETF adopts full-replication strategy to track the Index. Since inception, the Sub-Fund has experienced one semi-annual index rebalances.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of the CSOP CES China A80 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 27 August 2013 (date of inception) to 31 December 2013.



HSBC Institutional Trust Services (Asia) Limited
17 April 2014

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER'S RESPONSIBILITIES

The Manager of the CSOP CES China A80 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 then ended. In preparing these financial statements the Manager is required to:

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

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

CSOP ETF Series (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 December 2013, the Trust has established two sub-funds, namely, CSOP FTSE China A50 ETF and CSOP CES China A80 ETF.

TRUSTEE'S RESPONSIBILITIES

The Trustee of the Sub-Fund is required to:

- ensure that the Sub-Fund is managed by the Manager 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 on the conduct of the Manager in the management of the Sub-Fund.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES, AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG KONG)**

Report on the Financial Statements

We have audited the financial statements of CSOP CES China A80 ETF (the "Sub-Fund"), a sub-fund of CSOP ETF Series, set out on pages 7 to 29, which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the period from 27 August 2013 (date of inception) to 31 December 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Trustee and the Manager (the "Management") of the Sub-Fund are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and are responsible for ensuring 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, (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code"), 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Sub-Fund's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

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 2013, and of its financial transactions and cash flows for the period from 27 August 2013 (date of inception) to 31 December 2013 in accordance with Hong Kong Financial Reporting Standards.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES, AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG KONG)**

Emphasis of Matter

We draw attention to Note 3 to the financial statements which indicates that Management considers that the enforcement of PRC tax on gains on A-Shares is uncertain as at the date of approval of these financial statements and the Management has exercised significant judgment in their assessment of the potential tax charge and the related provision included in the Sub-Fund's financial statements as at 31 December 2013. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Disclosure Requirements

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



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 17 April 2014

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	<i>Notes</i>	2013 <i>RMB</i>
ASSETS		
NON-CURRENT ASSETS		
Deposit reserve		560,000
CURRENT ASSETS		
Investments	7(c),8(a)	307,822,389
Interest receivable		378
Bank balances	7(e)	3,113,884
		310,936,651
Total assets		311,496,651
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred tax liability	6	524,415
CURRENT LIABILITIES		
Provision for taxation	6	172,403
Management fee payable	7(a)	264,045
Establishment costs payable		1,269,383
Other accounts payable		280,463
		1,986,294
Total liabilities		2,510,709
EQUITY		
Net assets attributable to unitholders	4	308,985,942

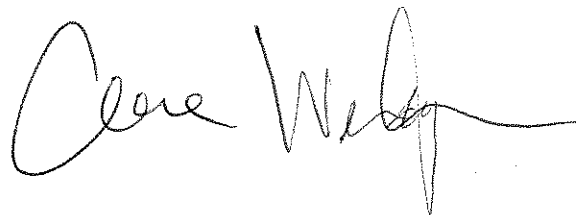
The financial statements on pages 7 to 29 were approved by the Trustee and the Manager on 17 April 2014 and were signed on their behalf.

For and on behalf of



CSOP Asset Management Limited
as the Manager

For and on behalf of



HSBC Institutional Trust Services (Asia) Limited
as the Trustee

The notes on pages 11 to 29 form part of these financial statements.

CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF COMPREHENSIVE INCOME

For the period from 27 August 2013 (date of inception) to 31 December 2013

	<i>Notes</i>	Period from 27 August 2013 (date of inception) to 31 December 2013 <i>RMB</i>
INCOME		
Dividend income		10,660
Interest income		13,004
Net loss on investments	5	(26,318,999)
Other income	2(f)	2,164,830
Total net loss		<u>(24,130,505)</u>
EXPENSES		
Management fee	7(a)	(916,922)
Trustee fee	7(b)	(155,742)
Transaction costs on investments		(612,351)
Audit fee		(153,893)
Safe custody and bank charges		(16,000)
Establishment costs		(1,269,383)
Other operating expenses		(83,317)
Total operating expenses		<u>(3,207,608)</u>
Operating loss		<u>(27,338,113)</u>
Taxation	6	<u>(699,185)</u>
Total comprehensive income		<u><u>(28,037,298)</u></u>

The notes on pages 11 to 29 form part of these financial statements.

CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 27 August 2013 (date of inception) to 31 December 2013

	Period from 27 August 2013 (date of inception) to 31 December 2013 <i>RMB</i>
Net assets attributable to unitholders at the beginning of the period	-
Proceeds on issue of units	424,843,680
Payments on redemption of units	(87,820,440)
Net increase from unit transactions	337,023,240
Total comprehensive income for the period	(28,037,298)
Net assets attributable to unitholders at the end of the period	308,985,942

The notes on pages 11 to 29 form part of these financial statements.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF CASH FLOWS

For the period from 27 August 2013 (date of inception) to 31 December 2013

	Period from 27 August 2013 (date of inception) to 31 December 2013 <i>RMB</i>
OPERATING ACTIVITIES	
Payments for purchase of investments	(440,409,500)
Proceeds from sale of investments	106,268,112
Dividend received	10,660
Interest received	12,626
Other income received	2,164,830
Management fee paid	(652,877)
Transaction costs paid	(612,351)
Taxation paid	(2,367)
Other operating expenses paid	(128,489)
Deposit reserve paid	(560,000)
	<hr/>
Net cash used in operating activities	(333,909,356)

FINANCING ACTIVITIES	
Proceeds on issue of units	424,843,680
Payments on redemption of units	(87,820,440)
	<hr/>
Net cash generated from financing activities	337,023,240

Net increase in cash and cash equivalents	3,113,884
Cash and cash equivalents at the beginning of the period	-
	<hr/>
Cash and cash equivalents at the end of the period	3,113,884
	<hr/> <hr/>
Analysis of balances of cash and cash equivalents	
Bank balances	3,113,884
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The notes on pages 11 to 29 form part of these financial statements.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP ETF Series (the "Trust") is an umbrella unit trust governed by its a 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 2013, the Trust has two sub-funds which are CSOP FTSE China A50 ETF and CSOP CES China A80 ETF (the "Sub-Fund"). The date of inception of the Sub-Fund was 27 August 2013. The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited.

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, CES China A80 Index. In order to achieve the investment objective of the Sub-Fund, the Manager will only adopt a full replication strategy by directly investing all, or substantially all, of the assets of the Sub-Fund in index securities constituting the underlying index in substantially the same weightings (i.e. proportions) as these index securities have in the underlying index.

Under current regulations in the People's Republic of China ("PRC"), generally foreign investors can invest only 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.

The Sub-Fund obtains exposure to securities issued within the PRC through the RQFII quotas of the Manager. 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 have been prepared separately.

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.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the Trustee and 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 2013

HKFRS 13, "Fair value measurement" – The standard improves consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRS. If an asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within bid-ask spread. On adoption of the standard, the Sub-Fund uses last traded prices as its valuation inputs for listed financial assets and liabilities to be consistent with the inputs prescribed in the Sub-Fund's offering document for the calculation of its per unit trading value for subscriptions and redemptions.

HKFRS 12, "Disclosures of interest in other entities", includes the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The standard did not have any significant impact on the Sub-Fund's financial position or performance.

Amendments to HKFRS 7, "Disclosure – Offsetting financial assets and financial liabilities" require additional disclosures to enable users of financial statements to evaluate the effect or the potential effects of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendments did not have any significant impact on the Sub-Fund's financial position, performance nor have they resulted in additional disclosure in the notes to financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2013 that would be expected to have a material impact on the Sub-Fund.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

New standards, amendments and interpretations effective after 1 January 2013 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Sub-Fund except the following set out below:

HKFRS 9, "Financial instruments", it addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The mandatory effective date is not specified in HKFRS 9 but will be determined when the outstanding phases are finalised. However, early application of HKFRS 9 is permitted. The standard is not expected to have a significant impact on the Sub-Fund's financial position or performance.

Amendments to HKAS 32, "Offsetting financial assets and financial liabilities" is effective for annual periods beginning on or after 1 January 2014. These amendments clarify the offsetting criteria in HKAS 32 and address inconsistencies in their application. This includes clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The amendments are not expected to have a significant impact on the Sub-Fund's financial position or performance.

(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. 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.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Investments (continued)

(iii) Measurement

Investments are initially recognised at fair value. Transaction costs are expensed 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.

(iv) Fair value estimation

The fair value of investments that are listed or traded on an exchange is based on quoted market prices at close of trading on reporting date.

(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) 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.

(d) 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.

(e) 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.

(f) Other income

Other income represents the duties and charges paid by the participating dealers for investments purchased/sold in a subscription/redemption day.

(g) Expenses

Expenses are accounted for on an accrual basis.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Cash and cash equivalents

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

(i) 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 Sub-Fund invests in A-Shares in the PRC and the performance of the Sub-Fund is measured and reported to the unitholders in RMB. The Manager considers RMB as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in RMB, 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”.

(j) Redeemable units

The Sub-Fund issues redeemable units, which are redeemable at the holder’s option represents 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 creations and redemptions of the Sub-Fund.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) 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.

The Sub-Fund also makes tax provisions on the gains arising from PRC A-shares which Management expects such amount may have to be paid to the tax authorities.

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.

(l) Establishment costs

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with HKFRS requires the Manager to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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 period are outlined below.

PRC tax provision

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

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

PRC tax provision (continued)

The Sub-Fund invests in A-Shares securities which are issued within the PRC through the RQFII quotas of the Manager. Under the general taxing provision of PRC corporate tax law, a 10% withholding tax may be payable on the gains derived from the sale of A-Shares by RQFIIs. The Manager considers that the enforcement of PRC tax on gains on A-Shares is uncertain as at the date of approval of these financial statements and has exercised its judgment when assessing whether the Sub-Fund may be liable for taxation on its gains, the amount of potential liability and the probability of such tax charges being levied up to the reporting date. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events. The Manager considers that its estimation may be impacted by any future clarification by the PRC State Administration of Taxation (“SAT”), such as a decision by the SAT to levy capital gains tax on the RQFII investments and the applicability of double tax treaty between Hong Kong and China for Hong Kong tax residents, which may be materially different from what the Manager envisioned.

Since 27 August 2013 (date of inception) to 31 December 2013

The Manager estimates the gross realised gains and unrealised gains of the Sub-Fund which could be exposed to PRC taxation at the rate of 10% for the period from 27 August 2013 (date of inception) to 31 December 2013 to be RMB1,724,027 and as at 31 December 2013 to be RMB5,244,155 respectively, and the Manager has made tax provision based on the best estimate of the Manager accordingly. The capital gains tax provision in relation to A-Shares investments of the Sub-Fund including provision for taxation of RMB172,403 and deferred tax liability of RMB524,415, and in aggregate of RMB696,818 represents 0.23% of the net assets attributable to unitholders of the Sub-Fund as at 31 December 2013. Refer to Note 6 for more details.

Subsequent to 31 December 2013

As a result of the development of RQFII regime together with the Manager’s accumulated knowledge about withholding income tax (“WIT”) on PRC A-Shares; the Manager has reassessed the WIT provisioning approach after the year end. After careful consideration of the reassessment and having taken and considered independent professional tax advice obtained after the 2013 period end date relating to the Sub-Fund’s eligibility to benefit from the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the “Arrangement”), and in accordance with such advice, the Manager currently holds a view that the Sub-Fund is a Hong Kong tax resident for the purpose of the Arrangement and should be able to enjoy certain WIT exemption on gross capital gains derived from the alienation of the shares of non-immovable properties-rich China A-Shares companies under Arrangement; the Manager has determined that, with effect from 17 February 2014 (the “Effective Date”):

- (i) no WIT provision will be made on the gross unrealised and realised capital gains derived from trading of PRC A-Shares, except for those gross capital gains derived from trading of PRC A-Shares issued by PRC tax resident companies which 50% or more of the PRC tax resident company’s assets are comprised, directly or indirectly, of immovable property situated in the PRC (an “immovable properties-rich company”).
- (ii) a 10% provision for WIT will continue to be made for the gross unrealised and realised capital gains derived by the Sub-Fund from trading of PRC A-Shares issued by PRC tax resident companies which are immovable properties-rich companies.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

PRC tax provision (continued)

Subsequent to 31 December 2013 (continued)

As a result, the Sub-Fund reversed the WIT provision as of 14 February 2014 on the Effective Date, which was made on the gross unrealised and realised capital gains derived from trading of PRC A-Shares issued by PRC tax resident companies which are not immovable properties-rich companies. Refer to Note 14 for more details.

The Manager considers that the capital gains tax provision amount may differ significantly from the amounts that may have to be ultimately borne by the Sub-Fund. In the event a capital gains tax is levied at an amount that is different from what was provided for by the Sub-Fund, the Sub-Fund may incur a liability that is different from the existing tax provision, which could significantly impact the net assets attributable to unitholders and consequently, the price per unit of the Sub-Fund based on the calculation of the net assets attributable to unitholders when distributing to the unitholders at such relevant time. When the SAT issues clarifications, this might ultimately result in either an increase or a decrease in the amount provided. The Manager will always act in the best interest of unitholders and will continually assess the tax provision on an on-going basis.

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.

In accordance with the provisions of the Trust's 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(j), 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.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

The movements of the redeemable units for the period from 27 August 2013 (date of inception) to 31 December 2013 are as follows:

	Period from 27 August 2013 (date of inception) to 31 December 2013
Number of units in issue at the beginning of the period	-
Units issued	19,500,000
Units redeemed	(4,200,000)
	<hr/>
Number of units in issue at the end of the period	15,300,000
	<hr/> <hr/>
	2013
	<i>RMB</i>
Net assets attributable to unitholders per unit at 31 December	20.1952
	<hr/> <hr/>

5. NET LOSS ON INVESTMENTS

	Period from 27 August 2013 (date of inception) to 31 December 2013 <i>RMB</i>
Net fair value change in unrealised gain/loss in value of investments	(21,676,193)
Net realised loss on sale of investments	(4,642,806)
	<hr/>
	(26,318,999)
	<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. A 10% withholding tax may also be payable on the gains derived from the sale of A-Shares by QFIIs as described in Note 3 above.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TAXATION (continued)

The taxation of the Sub-Fund for the period from 27 August 2013 (date of inception) to 31 December 2013 represents:

	Period from 27 August 2013 (date of inception) to 31 December 2013 <i>RMB</i>
Capital gains tax on realised gains on investments	172,403
Deferred tax charged on change in unrealised gains on investments	524,415
	<hr/> 696,818
Withholding tax on dividend income	1,066
Withholding tax on interest income	1,301
	<hr/> 2,367
	<hr/> <hr/> 699,185
Taxation	

The movement in deferred tax liabilities arising from change in unrealised gains on investments during the period from 27 August 2013 (date of inception) to 31 December 2013 is as follows:

	2013 <i>RMB</i>
At the beginning of the period	-
Deferred tax charged to the statement of comprehensive income	524,415
	<hr/> 524,415
At the end of the period	<hr/> <hr/> 524,415

The timing of settlement of deferred tax liabilities cannot be readily determined as it is subject to change in unrealised gains on investments in the future.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TAXATION (continued)

The movement in provision for taxation during the period from 27 August 2013 (date of inception) to 31 December 2013 is as follows:

	2013 RMB
At the beginning of the period	-
Taxation charged to the statement of comprehensive income for the period	174,770
Tax paid	(2,367)
	<hr/>
At the end of the period	172,403
	<hr/> <hr/>

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 their Connected Persons. 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 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 Connected Persons except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee, currently at the rate of 0.89% per annum of the net asset value of the Sub-Fund accrued daily and calculated as at each dealing day and payable monthly in arrears.

(b) Trustee fee and Registrar's fee

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

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

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

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

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

(c) Financial assets

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

	2013 RMB
Investments	
HSBC Bank (China) Company Limited	307,822,389
Bank balances	
The Hongkong and Shanghai Banking Corporation Limited	1,906,703
HSBC Bank (China) Company Limited	1,207,181
	<u>3,113,884</u>

8. FINANCIAL RISK MANAGEMENT

The objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the CES China A80 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 CES China A80 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.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Market price risk (continued)

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

	2013	
	Fair value <i>RMB</i>	% of net asset value
Listed equities – by industry		
Basic materials	22,650,948	7.33
Consumer goods	39,860,115	12.90
Consumer services	6,732,294	2.18
Financials	174,307,379	56.41
Health Care	3,610,548	1.17
Industrials	37,188,020	12.03
Oil & gas	6,609,437	2.14
Technology	5,363,650	1.74
Telecommunications	2,776,650	0.90
Utilities	8,723,348	2.82
	307,822,389	99.62

The Sub-Fund held 80 out of 80 constituents comprising the CES China A80 Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the CES China A80 Index.

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

As at 31 December 2013, if the CES China A80 Index were to increase by 10% with all other variables held constant, this would increase the operating profit for the period by approximately RMB30,782,239. Conversely, if the CES China A80 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 2013, interest rate risk arises only from bank balances. As 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. Therefore, no sensitivity analysis has been disclosed for these bank balances.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-Fund is not exposed to currency risk arising from balances and transactions in foreign currencies as the majority of its assets and liabilities are denominated in RMB, the Sub-Fund's functional and presentation currency. Therefore, no sensitivity analysis has been disclosed for these bank balances.

(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 2013, the Sub-Fund placed bank balances of RMB1,906,703 with The Hong Kong and Shanghai Banking Corporation Limited ("HSBC"), which is the custodian of the Sub-Fund. The S&P credit rating of HSBC is AA-

As at 31 December 2013, the Sub-Fund placed bank balances of RMB1,207,181 and investments of RMB307,822,389 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 A2.

The maximum exposure to credit risk as at 31 December 2013 is the carrying amount of the financial assets as shown on the Statement of Financial Position.

The Manager considers that none of assets are impaired nor past due as at 31 December 2013.

(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.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

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

	Less than 1 month <i>RMB</i>	1 month to less than 3 months <i>RMB</i>	Over 3 months <i>RMB</i>	Total <i>RMB</i>
As at 31 December 2013				
Management fee payable	-	264,045	-	264,045
Establishment costs payable	-	-	1,269,383	1,269,383
Other accounts payable	-	45,173	235,290	280,463
Contractual cash outflow	-	309,218	1,504,673	1,813,891

Units are redeemed on demand at the unitholder's option. As at 31 December 2013, there were one unitholders holding more than 10% of the Sub-Fund's units.

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

	Less than 1 month <i>RMB</i>	1 to 12 months <i>RMB</i>	No stated maturity <i>RMB</i>	Total <i>RMB</i>
As at 31 December 2013				
Total assets	310,936,273	378	560,000	311,496,651

(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 (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).

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value estimation (continued)

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 2013:

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 31 December 2013				
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	307,822,389	-	-	307,822,389
Total assets	<u>307,822,389</u>	<u>-</u>	<u>-</u>	<u>307,822,389</u>

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 31 December 2013, the Sub-Fund did not hold any investments classified in level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2013, the Sub-Fund did not hold any investments classified in level 3.

For the period from 27 August 2013 (date of inception) to 31 December 2013, there were no transfers between levels.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value estimation (continued)

The following table analyses within the fair value hierarchy the Sub-Fund's assets and liabilities (by class) not measured at fair value at 31 December 2013 but for which fair value is disclosed.

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 31 December 2013				
Assets				
Deposit reserve	-	560,000	-	560,000
Interest receivable	-	378	-	378
Bank balances	3,113,884	-	-	3,113,884
Total	<u>3,113,884</u>	<u>560,378</u>	<u>-</u>	<u>3,674,262</u>
Liabilities				
Management fee payable	-	264,045	-	264,045
Establishment costs payable	-	1,269,383	-	1,269,383
Other accounts payable	-	280,463	-	280,463
Total	<u>-</u>	<u>1,813,891</u>	<u>-</u>	<u>1,813,891</u>

The assets and liabilities included in the above table are carried at amortised cost, their carrying values are a reasonable approximation of fair value.

Bank balances include cash in hand, deposit held with banks and other financial institutions in an active market.

Interest receivable includes the contractual amounts for interest due to the Sub-Fund. Management fee payable, provision for taxation and other accounts payable represent the obligations due by the Sub-Fund for settlement of expenses.

(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.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. DISTRIBUTION

During the period from 27 August 2013 (date of inception) to 31 December 2013, there was no distribution paid by the Sub-Fund.

10. FINANCIAL INSTRUMENTS BY CATEGORY

As of 31 December 2013, other than investments as disclosed in the financial statements which are classified as the 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 costs. 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 Trade Funds (the "ETF Guidelines"), the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the underlying index, except where the weightings are exceeded as a result of changes in the composition of the underlying index and the excess is only 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 27 August 2013 (date of inception) to 31 December 2013.

There were no constituent securities that individually accounted for more than 10% of the net asset value of the Sub-Fund and their respective weightings of the CES China A80 Index as at 31 December 2013.

During the period from 23 September 2013, date of listing of the Sub-Fund, to 31 December 2013, the CES China A80 Index decreased by 7.96% while the net asset value per unit of Sub-Fund decreased by 8.61%.

12. SOFT COMMISSION ARRANGEMENT

The Manager confirms that there has been no soft commission arrangements existing during the period in relation to directing transactions of the Sub-Fund through a broker or dealer.

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 CES China A80 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.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. SEGMENT INFORMATION

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund's income is derived from investments in PRC securities which constitute CES China A80 Index, the tracked index.

The total of non-current assets of the Sub-Fund located in PRC in RMB560,000. The Sub-Fund has no other assets classified as non-current assets. As at 31 December 2013, the Sub-Fund has a diversified portfolio of investments and no single investment accounts for more than 10% of the Sub-Fund's net asset value.

14. SUBSEQUENT EVENT

As detailed in Note 3, the Sub-Fund reversed the WIT provision amounted to RMB488,938 as of 14 February 2014 on the Effective Date.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustee and the Manager on 17 April 2014.

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2013

	Holdings	Fair value RMB	% of net assets
Investments (99.62%)			
Listed Equities (99.62%)			
China (99.62%)			
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	2,649,200	6,570,016	2.13
AIR CHINA LTD A SHR ORD CNY1	174,000	687,300	0.22
ALUMINUM CORPORATION OF CHINA LTD A SHS ORD NPV	293,000	996,200	0.32
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	204,100	3,461,536	1.12
BANK OF BEIJING CO LTD ORD CNY1 CL A	538,542	4,044,450	1.31
BANK OF CHINA LTD A SHS ORD CNY1	647,700	1,696,974	0.55
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	1,601,600	6,150,144	1.99
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	504,200	2,062,178	0.67
BYD CO LTD A SHRS ORD CNY1	47,915	1,805,437	0.58
CHINA CITIC BANK CORP A SHRS ORD CNY1	302,200	1,169,514	0.38
CHINA CNR CORP LTD A SHS ORD CNY1	421,000	2,071,320	0.67
CHINA COAL ENERGY CO ORD SHS A ORD CNY1	186,500	889,605	0.29
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	239,800	968,792	0.31
CHINA CONSTRUCTION BANK A SHS ORD CNY1	978,300	4,050,162	1.31
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	1,649,600	4,387,936	1.42
CHINA LIFE INSURANCE CO A SHS ORD NPV	153,044	2,315,556	0.75
CHINA MERCHANTS BANK A SHR ORD CNY1	1,683,542	18,333,772	5.93
CHINA MERCHANTS SECURITIES CO LTD A SHR ORD CNY1	237,550	3,012,134	0.97
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	2,304,312	17,789,289	5.76
CHINA OILFIELD SERVICES LTD A SHS ORD CNY1	60,300	1,345,896	0.44
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	320,657	5,941,774	1.92
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	562,400	2,519,552	0.82
CHINA RAILWAY GROUP LTD A ORD CNY1	523,000	1,401,640	0.45
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	313,900	1,472,191	0.48
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	336,600	5,325,012	1.72
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	619,000	3,472,590	1.12
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	1,530,100	4,804,514	1.55
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	865,000	2,776,650	0.90
CHINA VANKE CO LTD A SHR ORD CNY1	987,600	7,930,428	2.57
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	505,132	3,192,434	1.03
CITIC SECURITIES CO LTD A SHR ORD CNY1	702,700	8,959,425	2.90
CSR CORP LTD A SHR ORD CNY1	480,300	2,406,303	0.78
DAQIN RAILWAY CO LTD A SHS ORD CNY1	606,861	4,484,703	1.45
DATANG INTERNATIONAL POWER GENERATION CO LTD A SHS ORD CNY1	305,956	1,297,253	0.42
GD POWER DEVELOPMENT CO LTD A SHS ORD CNY1	878,700	2,064,945	0.67
GF SECURITIES CO LTD A SHR ORD CNY1	302,200	3,771,456	1.22
GOERTEK INC A SHS ORD CNY1	78,095	2,739,573	0.89
GREAT WALL MOTOR CO LTD A SHRS ORD NPV	41,033	1,689,329	0.55

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

INVESTMENT PORTFOLIO (Unaudited) (continued)

As at 31 December 2013

	Holdings	Fair value RMB	% of net assets
Investments (99.62%) (continued)			
Listed equities (99.62%) (continued)			
China (99.62%) (continued)			
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	245,700	8,024,562	2.60
GUANGHUI ENERGY CO LTD A SHS ORD CNY1	319,520	2,792,605	0.90
HAITONG SECURITIES CO LTD CL A ORD CNY1	825,700	9,346,924	3.02
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	122,981	2,826,103	0.91
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	67,489	3,177,382	1.03
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1	428,600	2,168,716	0.70
HUATAI SECURITIES CO LTD A SHS ORD CNY1	285,722	2,560,069	0.83
HUAXIA BANK CO LTD A SHR ORD CNY1	454,413	3,894,319	1.26
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	1,663,400	5,954,972	1.93
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	1,166,400	11,827,296	3.83
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1	145,685	5,693,370	1.84
INNER MONGOLIA BAOTOU STEEL RARE-EARTH HI TECH CO LTD A SHR ORD CNY1	148,350	3,303,755	1.07
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	32,701	1,334,855	0.43
JIANGXI COPPER CO LTD A SHRS ORD CNY1	84,400	1,196,792	0.39
JINDUICHENG MOLYBDENUM CO A SHS ORD CNY1	99,000	717,750	0.23
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	42,598	5,468,731	1.77
LUZHOU LAOJIAO CO LTD A SHR ORD CNY1	71,300	1,435,982	0.46
METALLURGICAL CORPORATION OF CHINA LTD A SHRS ORD CNY1	496,800	869,400	0.28
MIDEA GROUP COMPANY LIMITED A SHR ORD NPV	68,435	3,421,750	1.11
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	84,939	1,943,404	0.63
PETROCHINA CO LTD A SHRS CNY1	355,900	2,743,989	0.89
PING AN BANK CO LTD A SHR ORD CNY1	418,230	5,123,318	1.66
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	488,230	20,373,838	6.59
POLY REAL ESTATE GROUP CO LTD A SHR ORD CNY1	436,873	3,604,202	1.17
QINGHAI SALT LAKE POTASH CO LTD A SHR ORD CNY1	64,700	1,082,431	0.35
SAIC MOTOR CORP LTD A SHR ORD CNY1	337,700	4,775,078	1.55
SANY HEAVY INDUSTRY CO LTD A ORD CNY1	310,900	1,995,978	0.65
SHANDONG GOLD MINING CO LTD SHS A ORD CNY1	72,800	1,255,800	0.41
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY 1	464,500	2,452,560	0.79
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	1,141,400	10,763,402	3.48
SHANXI LU'AN ENVIROMENT ENGY DEV CO LTD A SHS ORD CNY1	94,173	1,004,826	0.33

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

INVESTMENT PORTFOLIO (Unaudited) (continued)
As at 31 December 2013

	Holdings	Fair value RMB	% of net assets
Investments (99.62%) (continued)			
Listed equities (99.62%) (continued)			
China (99.62%) (continued)			
SHANXI XISHAN COAL & ELEC POWER CO LTD A SHR ORD CNY1	160,415	1,138,947	0.37
SHENZHEN OVERSEAS CHINESE TOWN CO LTD A SHR ORD CNY1	370,800	1,965,240	0.64
SUNING COMMERCE GROUP CO LTD A SHR ORD CNY1	451,800	4,079,754	1.32
WEICHAI POWER CO LTD A SHS ORD CNY1	108,300	2,057,700	0.67
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	193,719	3,033,639	0.98
YANZHOU COAL MINING CO LTD A SHRS ORD CNY1	60,300	535,464	0.17
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	35,401	3,610,548	1.17
ZHONGJIN GOLD CO LTD A SHR ORD CNY1	149,800	1,280,790	0.41
ZIJIN MINING GROUP CO LTD A SHR ORD CNY0.1	805,800	1,861,398	0.60
ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY CO LTD A SHR ORD CNY1	448,200	2,442,690	0.79
ZTE CORPORATION A SHR ORD CNY1	200,771	2,624,077	0.85
Total investments		307,822,389	99.62
Other net assets		1,163,553	0.38
Net assets attributable to unitholders at 31 December 2013		308,985,942	100.00
Total investments, at cost		329,498,582	

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period from 27 August 2013 (date of inception) to 31 December 2013

	Holdings				
	27 August 2013 (date of inception)	Additions	Corporate actions	Disposals	31 December 2013
Investments					
Listed equities					
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	-	3,393,100	-	743,900	2,649,200
AIR CHINA LTD A SHR ORD CNY1	-	232,400	-	58,400	174,000
ALUMINUM CORPORATION OF CHINA LTD A SHS ORD NPV	-	391,400	-	98,400	293,000
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	-	272,500	-	68,400	204,100
BANK OF BEIJING CO LTD ORD CNY1 CL A	-	718,842	-	180,300	538,542
BANK OF CHINA LTD A SHS ORD CNY1	-	879,700	-	232,000	647,700
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	-	2,138,200	-	536,600	1,601,600
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	-	672,800	-	168,600	504,200
BYD CO LTD A SHRS ORD CNY1	-	54,215	-	6,300	47,915
CHINA CITIC BANK CORP A SHRS ORD CNY1	-	385,100	-	82,900	302,200
CHINA CNR CORP LTD A SHS ORD CNY1	-	562,000	-	141,000	421,000
CHINA COAL ENERGY CO ORD SHS A ORD CNY1	-	249,100	-	62,600	186,500
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	-	319,900	-	80,100	239,800
CHINA CONSTRUCTION BANK A SHS ORD CNY1	-	1,306,300	-	328,000	978,300
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	-	2,202,800	-	553,200	1,649,600
CHINA LIFE INSURANCE CO A SHS ORD NPV	-	204,044	-	51,000	153,044
CHINA MERCHANTS BANK A SHR ORD CNY1	-	2,247,042	-	563,500	1,683,542
CHINA MERCHANTS SECURITIES CO LTD A SHR ORD CNY1	-	317,650	-	80,100	237,550
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	-	3,075,512	-	771,200	2,304,312
CHINA OILFIELD SERVICES LTD A SHS ORD CNY1	-	80,400	-	20,100	60,300
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	-	428,257	-	107,600	320,657

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)
For the period from 27 August 2013 (date of inception) to 31 December 2013

	Holdings				
	27 August 2013 (date of inception)	Additions	Corporate actions	Disposals	31 December 2013
Investments (continued)					
Listed equities (continued)					
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	-	751,000	-	188,600	562,400
CHINA RAILWAY GROUP LTD A ORD CNY1	-	698,300	-	175,300	523,000
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	-	419,000	-	105,100	313,900
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	-	449,200	-	112,600	336,600
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	-	818,200	-	199,200	619,000
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	-	2,042,600	-	512,500	1,530,100
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	-	1,154,600	-	289,600	865,000
CHINA VANKE CO LTD A SHR ORD CNY1	-	1,318,200	-	330,600	987,600
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	-	673,832	-	168,700	505,132
CITIC SECURITIES CO LTD A SHR ORD CNY1	-	938,000	-	235,300	702,700
CSR CORP LTD A SHR ORD CNY1	-	641,400	-	161,100	480,300
DAQIN RAILWAY CO LTD A SHS ORD CNY1	-	809,661	-	202,800	606,861
DATANG INTERNATIONAL POWER GENERATION CO LTD A SHS ORD CNY1	-	408,556	-	102,600	305,956
EVERBRIGHT SECURITIES CO LTD A SHRS ORD CNY1	-	186,500	-	186,500	-
GD POWER DEVELOPMENT CO LTD A SHS ORD CNY1	-	1,173,300	-	294,600	878,700
GF SECURITIES CO LTD A SHR ORD CNY1	-	403,200	-	101,000	302,200
GOERTEK INC A SHS ORD CNY1	-	88,595	-	10,500	78,095
GREAT WALL MOTOR CO LTD A SHRS ORD NPV	-	54,433	-	13,400	41,033
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	-	327,500	-	81,800	245,700

CSOP CES CHINA A80 ETF
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the period from 27 August 2013 (date of inception) to 31 December 2013

	Holdings				
	27 August 2013 (date of inception)	Additions	Corporate actions	Disposals	31 December 2013
Investments (continued)					
Listed equities (continued)					
GUANGHUI ENERGY CO LTD A SHS ORD CNY1	-	428,920	-	109,400	319,520
HAITONG SECURITIES CO LTD CL A ORD CNY1	-	1,102,000	-	276,300	825,700
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	-	151,781	-	28,800	122,981
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	-	89,989	-	22,500	67,489
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1	-	572,200	-	143,600	428,600
HUATAI SECURITIES CO LTD A SHS ORD CNY1	-	381,022	-	95,300	285,722
HUAXIA BANK CO LTD A SHR ORD CNY1	-	606,313	-	151,900	454,413
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	-	2,244,200	-	580,800	1,663,400
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	-	1,557,000	-	390,600	1,166,400
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1	-	194,885	-	49,200	145,685
INNER MONGOLIA BAOTOU STEEL RARE-EARTH HI TECH CO LTD A SHR ORD CNY1	-	197,650	-	49,300	148,350
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	-	45,401	-	12,700	32,701
JIANGXI COPPER CO LTD A SHRS ORD CNY1	-	112,800	-	28,400	84,400
JINDUICHENG MOLYBDENUM CO A SHS ORD CNY1	-	131,700	-	32,700	99,000
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	-	56,798	-	14,200	42,598
LUZHOU LAOJIAO CO LTD A SHR ORD CNY1	-	95,500	-	24,200	71,300
METALLURGICAL CORPORATION OF CHINA LTD A SHRS ORD CNY1	-	663,600	-	166,800	496,800
MIDEA GROUP COMPANY LIMITED A SHR ORD NPV	-	91,835	-	23,400	68,435

CSOP CES CHINA A80 ETF
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)
For the period from 27 August 2013 (date of inception) to 31 December 2013

	Holdings				
	27 August 2013 (date of inception)	Additions	Corporate actions	Disposals	31 December 2013
Investments (continued)					
Listed equities (continued)					
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	-	106,139	-	21,200	84,939
PANGANG GROUP VANADIUM TITANIUM & RESOURCES CO LTD A SHR ORD CNY1	-	585,100	-	585,100	-
PETROCHINA CO LTD A SHRS CNY1	-	475,200	-	119,300	355,900
PING AN BANK CO LTD A SHR ORD CNY1	-	558,430	-	140,200	418,230
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	-	605,130	-	116,900	488,230
POLY REAL ESTATE GROUP CO LTD A SHR ORD CNY1	-	582,973	-	146,100	436,873
QINGHAI SALT LAKE POTASH CO LTD A SHR ORD CNY1	-	86,400	-	21,700	64,700
SAIC MOTOR CORP LTD A SHR ORD CNY1	-	450,400	-	112,700	337,700
SANY HEAVY INDUSTRY CO LTD A ORD CNY1	-	415,200	-	104,300	310,900
SHANDONG GOLD MINING CO LTD SHS A ORD CNY1	-	97,000	-	24,200	72,800
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY 1	-	528,200	-	63,700	464,500
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	-	1,524,400	-	383,000	1,141,400
SHANXI LU'AN ENVIROMENT ENGY DEV CO LTD A SHS ORD CNY1	-	125,173	-	31,000	94,173
SHANXI XISHAN COAL & ELEC POWER CO LTD A SHR ORD CNY1	-	214,615	-	54,200	160,415
SHENZHEN OVERSEAS CHINESE TOWN CO LTD A SHR ORD CNY1	-	495,200	-	124,400	370,800
SUNING COMMERCE GROUP CO LTD A SHR ORD CNY1	-	602,900	-	151,100	451,800
WEICHAJ POWER CO LTD A SHS ORD CNY1	-	136,500	-	28,200	108,300
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	-	258,719	-	65,000	193,719
YANGQUAN COAL INDUSTRY GROUP CO LTD A SHR ORD CNY1	-	163,700	-	163,700	-

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)
For the period from 27 August 2013 (date of inception) to 31 December 2013

	Holdings				31 December 2013
	27 August 2013 (date of inception)	Additions	Corporate actions	Disposals	
Investments (continued)					
Listed equities (continued)					
YANZHOU COAL MINING CO LTD A SHRS ORD CNY1	-	80,400	-	20,100	60,300
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	-	47,101	-	11,700	35,401
ZHONGJIN GOLD CO LTD A SHR ORD CNY1	-	200,600	-	50,800	149,800
ZIJIN MINING GROUP CO LTD A SHR ORD CNY0.1	-	1,076,100	-	270,300	805,800
ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY CO LTD A SHR ORD CNY1	-	598,500	-	150,300	448,200
ZTE CORPORATION A SHR ORD CNY1	-	267,671	-	66,900	200,771
		<u> </u>		<u> </u>	<u> </u>

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

PERFORMANCE RECORD (Unaudited)

Net asset value

	Net asset value of the Sub-Fund <i>RMB</i>	Net asset value per unit <i>RMB</i>
At the end of financial period dated		
31 December 2013	308,985,942	20.1952

Highest and lowest net asset value per unit

	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
Financial period ended		
31 December 2013 (Since 27 August 2013 (date of inception))	22.0972	19.8677

**CSOP CES CHINA A80 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

MANAGEMENT AND ADMINISTRATION

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Limited
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