

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

CSOP FTSE CHINA A50 ETF
(A sub-fund of CSOP ETF Series)

Semi-Annual Report
FOR THE PERIOD ENDED 30 JUNE 2014



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

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

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The CSOP FTSE China A50 ETF (the “CSOP A50 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 23 August 2012 and commenced trading in RMB under the stock code 82822 on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 28 August 2012; following the SEHK’s dual counter model, the CSOP A50 ETF started trading in HKD under the stock code 02822 on the SEHK on 8 November 2012. The CSOP A50 ETF is benchmarked against the FTSE China A50 Index (the “A50 Index”) and adopts the full-replication strategy. The Manager and RQFII Holder of the CSOP A50 ETF is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The CSOP A50 ETF is a physical ETF which invests directly in the A50 Index securities through the RQFII quotas of the Manager. 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 RMB42.6 billion as of 30 June 2014.

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

Capital Gains Tax (“CGT”) Treatment

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 currently provisioned to withhold 10% of realised and unrealised capital gains for land rich companies only.

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 A50 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 A50 ETF may be affected. The Manager reasonably believes the current provision is adequate and will monitor the situation closely.

**CSOP FTSE CHINA A50 ETF
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REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

Fund Performance

The CSOP A50 ETF seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As of 30 June 2014, the Net Asset Value (“NAV”) per unit of the CSOP A50 ETF was RMB6.8618 and there were 3,676,500,000 units outstanding. The total asset under management was approximately RMB25.23 billion.

As at 30 June 2014, the NAV of CSOP A50 ETF RMB counter (stock code 82822) performed -3.98% while the index performed -5.42%. The difference in performance between the NAV of the CSOP A50 ETF and the Index is mainly attributed to dividends, fees and expenses, including tax on dividends and CGT withholding. YTD Price return of the RMB counter (stock code 82822) was -3.92%.

Exchange Liquidity

Since inception, the CSOP A50 ETF has attracted great investor attention from investors across the globe. The trading value of the RMB counter (stock code: 82822) remained steadily at an average daily turnover of RMB16 million in June 2014. The trading value of the HKD counter (stock code: 02822) remained steadily at an average daily turnover of HKD564 million in June 2014. The fund’s high liquidity often placed it in the top 3 most heavily traded ETFs on the SEHK. The trading volume for the CSOP A50 ETF reflected strong interest in the CSOP A50 ETF.

Portfolio Rebalance

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

**CSOP FTSE CHINA A50 ETF
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CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	<i>Notes</i>	30 June 2014 (Unaudited) <i>RMB</i>	31 December 2013 (Audited) <i>RMB</i>
ASSETS			
NON-CURRENT ASSETS			
Deposit reserve		7,420,000	5,180,000
		-----	-----
CURRENT ASSETS			
Investments	<i>7(c),8(a)</i>	24,761,151,374	20,796,285,550
Interest receivable		34,291	21,229
Bank balances	<i>7(c)</i>	481,843,263	263,768,161
		-----	-----
		25,243,028,928	21,060,074,940
		-----	-----
Total assets		25,250,448,928	21,065,254,940
		=====	=====
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liability	<i>6</i>	-	80,345,947
		-----	-----
CURRENT LIABILITIES			
Provision for taxation	<i>6</i>	2,381,114	44,282,618
Amounts due to participating dealers		-	55,947,377
Management fee payable	<i>7(a)</i>	20,014,022	17,176,162
Other accounts payable		1,768,936	3,678,671
		-----	-----
		24,164,072	121,084,828
		-----	-----
Total liabilities		24,164,072	201,430,775
		=====	=====
EQUITY			
Net assets attributable to unitholders	<i>4</i>	25,226,284,856	20,863,824,165
		=====	=====

The notes on pages 7 to 22 form part of these unaudited condensed financial statements.

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2014

	<i>Notes</i>	Period from 1 January 2014 to 30 June 2014 (Unaudited) <i>RMB</i>	Period from 1 January 2013 to 30 June 2013 (Unaudited) <i>RMB</i>
INCOME			
Dividend income		438,910,827	332,021,318
Interest income		490,096	268,663
Net loss on investments	5	(1,426,462,955)	(3,036,451,814)
Other income		15,893,124	5,530,616
Total net loss		<u>(971,168,908)</u>	<u>(2,698,631,217)</u>
EXPENSES			
Management fee	7(a)	(107,729,876)	(83,560,947)
Trustee fee	7(b)	(9,379,855)	(7,426,811)
Transaction costs on investments		(20,156,051)	(10,195,196)
Audit fee		(87,021)	(87,274)
Safe custody and bank charges		(108,762)	(70,138)
Legal and other professional fee		(1,292)	(1,478,048)
Other operating expenses		(533,067)	(250,001)
Total operating expenses		<u>(137,995,924)</u>	<u>(103,068,415)</u>
Operating loss		<u>(1,109,164,832)</u>	<u>(2,801,699,632)</u>
Taxation	6	73,974,623	110,297,119
Total comprehensive income		<u><u>(1,035,190,209)</u></u>	<u><u>(2,691,402,513)</u></u>

The notes on pages 7 to 22 form part of these unaudited condensed financial statements.

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

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2014

	Period from 1 January 2014 to 30 June 2014 (Unaudited) <i>RMB</i>	Period from 1 January 2013 to 30 June 2013 (Unaudited) <i>RMB</i>
Net assets attributable to unitholders at the beginning of the period	20,863,824,165	16,772,831,681
Proceeds on issue of units	9,953,738,650	2,021,930,550
Payments on redemption of units	(4,556,087,750)	(868,275,400)
Net increase from unit transactions	5,397,650,900	1,153,655,150
Total comprehensive income for the period	(1,035,190,209)	(2,691,402,513)
Net assets attributable to unitholders at the end of the period	25,226,284,856	15,235,084,318

The notes on pages 7 to 22 form part of these unaudited condensed financial statements.

CSOP FTSE CHINA A50 ETF
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CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2014

	Period from 1 January 2014 to 30 June 2014 (Unaudited) RMB	Period from 1 January 2013 to 30 June 2013 (Unaudited) RMB
OPERATING ACTIVITIES		
Payments for purchase of investments	(10,751,478,039)	(4,317,221,231)
Proceeds from sale of investments	5,360,149,260	3,170,981,633
Dividend received	438,910,827	233,811,455
Interest received	477,034	210,362
Other income received	15,893,124	67,396,726
Management fee paid	(104,892,016)	(81,839,462)
Transaction costs paid	(20,156,051)	(10,195,196)
Taxation paid	(48,272,828)	(35,942,441)
Other operating expenses paid	(12,019,732)	(8,890,718)
Deposit reserve paid	(2,240,000)	(1,960,000)
	<hr/>	<hr/>
Net cash used in operating activities	(5,123,628,421)	(983,648,872)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
FINANCING ACTIVITIES		
Proceeds on issue of units	9,953,738,650	2,021,930,550
Amounts paid to participating dealers	(55,947,377)	-
Payments on redemption of units	(4,556,087,750)	(868,275,400)
	<hr/>	<hr/>
Net cash generated from financing activities	5,341,703,523	1,153,655,150
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net increase in cash and cash equivalents	218,075,102	170,006,278
Cash and cash equivalents at the beginning of the period	263,768,161	69,801,044
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	481,843,263	239,807,322
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Analysis of balances of cash and cash equivalents		
Bank balances	481,843,263	59,807,322
Short-term bank deposits	-	180,000,000
	<hr/>	<hr/>
	481,843,263	239,807,322
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The notes on pages 7 to 22 form part of these unaudited condensed financial statements.

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP ETF Series (the “Trust”) is an umbrella unit trust governed by its 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 30 June 2014, the Trust has two sub-funds which are CSOP FTSE China A50 ETF (the “Sub-Fund”) and CSOP CES China A80 ETF. The date of inception of the Sub-Fund was 23 August 2012. The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited. CSOP Asset Management Limited, the manager of the Sub-Fund, applied and obtained approval to list Japan Depository Receipt (“JDR”) which represents units of the Sub-Fund on the Tokyo Stock Exchange (“TSE”). The JDR which represents units of the Sub-Fund was listed on the TSE on 27 February 2013.

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

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the underlying index, namely, FTSE China A50 Index. 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 condensed financial statements are prepared for the Sub-Fund only. The condensed financial statements for CSOP CES China A80 ETF have been prepared separately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

These condensed semi-annual financial statements for the six months ended 30 June 2014 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The condensed semi-annual financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2013, as described in the annual financial statements.

**CSOP FTSE CHINA A50 ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standard and amendments to existing standards effective 1 January 2014

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.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial period 1 January 2014 that would be expected to have a material impact on the Sub-Fund.

New standards, amendments and interpretations effective after 1 January 2014 and have not been early adopted

A number of new standards, amendments to standards and interpretations are issued but not effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these condensed financial statements. None of these are expected to have a significant effect on the condensed 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.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of these condensed financial statements in conformity with HKFRS requires the Manager to make estimates and assumptions that affect the amounts reported in the condensed 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 condensed 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 FTSE CHINA A50 ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (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 condensed 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 tax 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.

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 year ended 2013 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 FTSE CHINA A50 ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (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.

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.

For 30 June 2014

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 23 August 2012 (date of inception) to 30 June 2014 to be RMB23,811,144 (period from 23 August 2012 (date of inception) to 31 December 2013 to be RMB442,826,187) and as at 30 June 2014 to be RMBnil (31 December 2013: RMB803,459,461) 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 of taxation of RMB2,381,114 (31 December 2013: RMB44,282,618) and deferred tax liability of RMBnil (31 December 2013: RMB80,345,947) and in aggregate of RMB2,381,114 (31 December 2013: RMB124,628,565) represents 0.01% (31 December 2013: 0.60%) of the net assets attributable to unitholders of the Sub-Fund as at 30 June 2014. Refer to Note 6 for more details.

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

The Sub-Fund's capital is represented by the units in the Sub-Fund, and shown as "net assets attributable to unitholders" in the Condensed Statement of Financial Position. Subscriptions and redemptions of units during the period are shown in the Condensed Statement of Changes in Net Assets Attributable to Unitholders. In order to achieve the investment objectives, the Sub-Fund endeavors to invest its capital in accordance with the investment policies, whilst maintaining sufficient liquidity to meet redemption requests.

In accordance with the provisions of the Trust'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.

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 FTSE CHINA A50 ETF
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NOTES TO THE UNAUDITED CONDENSED 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 ended 30 June 2014 and 2013 are as follows:

	Period from 1 January 2014 to 30 June 2014 (Unaudited)	Period from 1 January 2013 to 30 June 2013 (Unaudited)
Number of units in issue at the beginning of the period	2,920,000,000	2,023,500,000
Units issued	1,444,000,000	251,000,000
Units redeemed	(687,500,000)	(115,000,000)
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Number of units in issue at the end of the period	<u>3,676,500,000</u>	<u>2,159,500,000</u>
	2014 <i>RMB</i>	2013 <i>RMB</i>
Net assets attributable to unitholders per unit at 30 June (Unaudited)	<u>6.8615</u>	<u>7.0549</u>
	2013 <i>RMB</i>	2012 <i>RMB</i>
Net assets attributable to unitholders per unit at 31 December (Audited)	<u>7.1451</u>	<u>8.2890</u>

5. NET LOSS ON INVESTMENTS

	Period from 1 January 2014 to 30 June 2014 (Unaudited) <i>RMB</i>	Period from 1 January 2013 to 30 June 2013 (Unaudited) <i>RMB</i>
Net fair value change in unrealised loss in value of investments	(742,970,162)	(3,113,854,533)
Net realised (loss)/gain on sale of investments	(683,492,793)	77,402,719
	<hr/>	<hr/>
	<u>(1,426,462,955)</u>	<u>(3,036,451,814)</u>

**CSOP FTSE CHINA A50 ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

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 RQFII as described in Note 3 above.

The taxation of the Sub-Fund for the period ended 30 June 2014 and 2013 represents:

	Period from 1 January 2014 to 30 June 2014 (Unaudited) <i>RMB</i>	Period from 1 January 2013 to 30 June 2013 (Unaudited) <i>RMB</i>
Capital gains tax (reversed)/charged on realised gains on investments	(41,901,504)	32,947,456
Deferred tax reversed on change in unrealised gains on investments	(80,345,947)	(179,187,016)
	<u>(122,247,451)</u>	<u>(146,239,560)</u>
Withholding tax on dividend income	48,223,818	35,919,924
Withholding tax on interest income	49,010	22,517
	<u>48,272,828</u>	<u>35,942,441</u>
Taxation	<u><u>(73,974,623)</u></u>	<u><u>(110,297,119)</u></u>

The movement in deferred tax liabilities arising from change in unrealised gains on investments during the period is as follows:

	As at 30 June 2014 (Unaudited) <i>RMB</i>
At the beginning of the period	80,345,947
Deferred tax reversed to the condensed statement of comprehensive income	(80,345,947)
At the end of the period	<u><u>-</u></u>

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 FTSE CHINA A50 ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

6. TAXATION (continued)

The movement in provision for taxation during the period is as follows:

	As at 30 June 2014 (Unaudited) RMB
At the beginning of the period	44,282,618
Taxation charged to the condensed statement of comprehensive income for the period	6,371,324
Tax paid	(48,272,828)
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At the end of the period	2,381,114
	<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 0.99% per annum of the net asset value of the Sub-Fund accrued daily and calculated as at each dealing day and payable monthly in arrears.

(b) Trustee fee and Registrar’s fee

The Trustee is entitled to receive a trustee fee of up to 1% per annum of the net asset value of the Sub-Fund, which accrued daily and calculated as at each dealing day and payable monthly in arrears. 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 FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Market price risk (continued)

As at 30 June 2014 and 31 December 2013, the Sub-Fund's investments were concentrated in the following industries:

	As at 30 June 2014		As at 31 December 2013	
	Fair value <i>RMB</i>	% of net asset value	Fair value <i>RMB</i>	% of net asset value
Listed equities – by industry				
Basic materials	543,617,601	2.16	429,807,001	2.06
Consumer goods	3,957,804,578	15.69	3,145,170,024	15.08
Consumer services	-	-	330,793,787	1.58
Financials	15,826,348,646	62.74	13,446,177,894	64.45
Health Care	333,500,006	1.32	344,820,031	1.65
Industrials	2,441,873,151	9.68	1,829,935,966	8.77
Oil & gas	913,709,396	3.62	709,433,698	3.40
Telecommunications	336,014,387	1.33	264,732,944	1.27
Utilities	408,283,609	1.62	295,414,205	1.42
	<u>24,761,151,374</u>	<u>98.16</u>	<u>20,796,285,550</u>	<u>99.68</u>

The Sub-Fund held 50 out of 50 (31 December 2013: 50 out of 50) constituents comprising the FTSE China A50 Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the FTSE China A50 Index.

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

As at 30 June 2014, if the FTSE China A50 Index were to increase by 10% (31 December 2013: 10%) with all other variables held constant, this would increase the operating profit for the period by approximately RMB2,476,115,137 (31 December 2013: RMB2,079,628,555). Conversely, if the FTSE China A50 Index were to decrease by 10% (31 December 2013: 10%), this would decrease the operating profit for the period by an equal amount.

**CSOP FTSE CHINA A50 ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Interest rate risk

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

As at 30 June 2014 and 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.

(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.

(b) Credit and counterparty risk

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

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

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

As at 30 June 2014, the Sub-Fund placed bank balances of RMB68,312,549 (31 December 2013: RMB174,528,616) 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- (31 December 2013: AA-).

As at 30 June 2014, the Sub-Fund placed bank balances of RMB413,530,714 (31 December 2013: RMB89,239,545) and investments of RMB24,761,151,374 (31 December 2013: RMB20,796,285,550) with HSBC Bank (China) Company Limited ("HSBC China"), which is the PRC custodian of the Sub-Fund. The Moody's credit rating of HSBC China is A2 (31 December 2013: A2).

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit and counterparty risk (continued)

The maximum exposure to credit risk as at 30 June 2014 and 31 December 2013 is the carrying amount of the financial assets as shown on the Condensed Statement of Financial Position.

The Manager considers that none of assets are impaired nor past due as at 30 June 2014 and 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.

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 30 June 2014				
Management fee payable	-	20,014,022	-	20,014,022
Other accounts payable	-	1,730,996	37,940	1,768,936
Contractual cash outflow	-	21,745,018	37,940	21,782,958
As at 31 December 2013				
Amounts due to participating dealers	55,947,377	-	-	55,947,377
Management fee payable	-	17,176,162	-	17,176,162
Other accounts payable	-	1,505,880	2,172,791	3,678,671
Contractual cash outflow	55,947,377	18,682,042	2,172,791	76,802,210

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

Units are redeemed on demand at the unitholder's option. As at 30 June 2014, there were 2 unitholders holding more than 10% of the Sub-Fund's units (31 December 2013: 3).

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 30 June 2014				
Total assets	<u>25,242,994,637</u>	<u>34,291</u>	<u>7,420,000</u>	<u>25,250,448,928</u>
As at 31 December 2013				
Total assets	<u>21,060,053,711</u>	<u>21,229</u>	<u>5,180,000</u>	<u>21,065,254,940</u>

(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).

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.

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value estimation (continued)

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 30 June 2014 and 31 December 2013:

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 30 June 2014				
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	24,761,151,374	-	-	24,761,151,374
Total assets	<u>24,761,151,374</u>	<u>-</u>	<u>-</u>	<u>24,761,151,374</u>
As at 31 December 2013				
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	20,796,285,550	-	-	20,796,285,550
Total assets	<u>20,796,285,550</u>	<u>-</u>	<u>-</u>	<u>20,796,285,550</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 30 June 2014 and 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 30 June 2014 and 31 December 2013, the Sub-Fund did not hold any investments classified in level 3.

During the period ended 30 June 2014 and year ended 31 December 2013, there were no transfers between levels.

**CSOP FTSE CHINA A50 ETF
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NOTES TO THE UNAUDITED CONDENSED 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 30 June 2014 and 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 30 June 2014				
Assets				
Deposit reserve	-	7,420,000	-	7,420,000
Interest receivable	-	34,291	-	34,291
Bank balances	481,843,263	-	-	481,843,263
Total	<u>481,843,263</u>	<u>7,454,291</u>	<u>-</u>	<u>489,297,554</u>
Liabilities				
Management fee payable	-	20,014,022	-	20,014,022
Other accounts payable	-	1,768,936	-	1,768,936
Total	<u>-</u>	<u>21,782,958</u>	<u>-</u>	<u>21,782,958</u>
As at 31 December 2013				
Assets				
Deposit reserve	-	5,180,000	-	5,180,000
Interest receivable	-	21,229	-	21,229
Bank balances	263,768,161	-	-	263,768,161
Total	<u>263,768,161</u>	<u>5,201,229</u>	<u>-</u>	<u>268,969,390</u>
Liabilities				
Amounts due to participating dealers	-	55,947,377	-	55,947,377
Management fee payable	-	17,176,162	-	17,176,162
Other accounts payable	-	3,678,671	-	3,678,671
Total	<u>-</u>	<u>76,802,210</u>	<u>-</u>	<u>76,802,210</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. Amounts due to participating dealers, management fee payable, provision for taxation and other accounts payable represent the obligations due by the Sub-Fund for settlement of expenses.

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital risk management

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

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

9. DISTRIBUTION

There is no distribution during the period ended 30 June 2014 and 30 June 2013.

10. FINANCIAL INSTRUMENTS BY CATEGORY

As of 30 June 2014 and 31 December 2013, other than investments as disclosed in the condensed 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 ended 30 June 2014 and 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 FTSE China A50 Index as at 30 June 2014 and 31 December 2013.

During the period ended 30 June 2014, the FTSE China A50 Index decreased by 5.42% (30 June 2013: 16.75%) while the net asset value per unit of the Sub-Fund decreased by 3.98% (30 June 2013: 14.88%).

**CSOP FTSE CHINA A50 ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

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 FTSE China A50 Index and invest in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

The internal financial information used by the Manager for the Sub-Fund's assets, liabilities and performance is the same as that disclosed in the Condensed Statement of Financial Position and Condensed Statement of Comprehensive Income.

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

The total of non-current assets of the Sub-Fund located in PRC in RMB7,420,000 (31 December 2013: RMB5,180,000). The Sub-Fund has no other assets classified as non-current assets. As at 30 June 2014 and 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.

**CSOP FTSE CHINA A50 ETF
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INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2014

	Holdings	Fair value RMB	% of net assets
Investments (98.16%)			
Listed Equities (98.16%)			
China (98.16%)			
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	288,634,491	727,358,917	2.88
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	21,592,532	339,434,603	1.35
BANK OF BEIJING CO LTD ORD CNY1 CL A	56,146,685	452,542,281	1.79
BANK OF CHINA LTD A SHS ORD CNY1	95,997,489	244,793,597	0.97
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	207,083,822	803,485,229	3.19
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	46,482,910	190,579,931	0.76
BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1	87,478,200	189,827,694	0.75
BYD CO LTD A SHRS ORD CNY1	3,830,446	181,907,881	0.72
CHINA CITIC BANK CORP A SHRS ORD CNY1	35,289,680	150,686,934	0.60
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	14,413,497	54,194,749	0.21
CHINA CONSTRUCTION BANK A SHS ORD CNY1	111,066,151	458,703,204	1.82
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	138,912,509	352,837,773	1.40
CHINA LIFE INSURANCE CO A SHS ORD NPV	17,884,436	243,407,174	0.97
CHINA MERCHANTS BANK A SHR ORD CNY1	160,511,481	1,643,637,565	6.52
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	246,097,872	1,528,267,785	6.06
CHINA OILFIELD SERVICES LTD A SHS ORD CNY1	7,264,753	127,787,005	0.51
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	30,911,380	549,913,450	2.18
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	78,069,572	411,426,644	1.63
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	30,216,128	139,296,350	0.55
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	24,280,445	353,037,670	1.40
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	64,374,413	310,284,671	1.23
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	147,234,844	415,202,260	1.65
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	104,029,222	336,014,387	1.33
CHINA VANKE CO LTD A SHR ORD CNY1	102,144,126	844,731,922	3.35
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	44,538,603	277,030,111	1.10
CITIC SECURITIES CO LTD A SHR ORD CNY1	90,535,984	1,037,542,377	4.11
CSR CORP LTD A SHR ORD CNY1	43,356,886	195,105,987	0.77
DAQIN RAILWAY CO LTD A SHS ORD CNY1	72,603,887	458,130,527	1.82
GF SECURITIES CO LTD A SHR ORD CNY1	25,419,647	249,112,541	0.99
GREAT WALL MOTOR CO LTD A SHRS ORD NPV	3,944,141	99,786,767	0.40
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	25,833,448	760,795,044	3.02
HAITONG SECURITIES CO LTD CL A ORD CNY1	69,610,316	636,934,391	2.52
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	12,759,988	216,154,197	0.86
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	8,099,881	289,894,741	1.15
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1	23,189,664	131,253,498	0.52
HUAXIA BANK CO LTD A SHR ORD CNY1	36,054,373	295,645,859	1.17
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	225,243,165	763,574,329	3.03

**CSOP FTSE CHINA A50 ETF
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INVESTMENT PORTFOLIO (Unaudited) (continued)

As at 30 June 2014

	Holdings	Fair value RMB	% of net assets
Investments (98.16%) (continued)			
Listed equities (98.16%) (continued)			
China (98.16%) (continued)			
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	112,206,581	1,125,432,007	4.46
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1	20,553,864	680,743,976	2.70
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	5,044,040	716,152,799	2.84
MIDEA GROUP COMPANY LIMITED A SHR ORD NPV	21,207,764	409,734,001	1.62
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	5,630,155	118,965,175	0.47
PETROCHINA CO LTD A SHRS CNY1	49,667,871	374,495,747	1.48
PING AN BANK CO LTD A SHR ORD CNY1	58,874,728	583,448,555	2.31
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	48,743,159	1,917,555,875	7.60
SAIC MOTOR CORP LTD A SHR ORD CNY1	28,408,668	434,652,620	1.72
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	27,919,576	124,242,113	0.49
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	121,300,741	1,097,771,706	4.35
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	21,424,247	384,136,749	1.52
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	6,388,889	333,500,006	1.32
Total investments		24,761,151,374	98.16
Other net assets		465,133,482	1.84
Net assets attributable to unitholders at 30 June 2014		<u>25,226,284,856</u>	100.00
Total investments, at cost		<u>25,950,285,369</u>	

**CSOP FTSE CHINA A50 ETF
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2014

	Holdings				30 June 2014
	1 January 2014	Additions	Corporate actions	Disposals	
Investments					
Listed equities					
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	200,231,483	137,768,508	-	49,365,500	288,634,491
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	17,112,965	8,606,067	-	4,126,500	21,592,532
BANK OF BEIJING CO LTD ORD CNY1 CL A	44,509,413	22,236,572	-	10,599,300	56,146,685
BANK OF CHINA LTD A SHS ORD CNY1	76,101,689	38,299,100	-	18,403,300	95,997,489
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	164,176,415	82,609,707	-	39,702,300	207,083,822
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	36,850,393	18,543,717	-	8,911,200	46,482,910
BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1	-	87,478,200	-	-	87,478,200
BYD CO LTD A SHRS ORD CNY1	3,033,039	1,522,307	-	724,900	3,830,446
CHINA CITIC BANK CORP A SHRS ORD CNY1	46,633,192	16,961,088	-	28,304,600	35,289,680
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	11,435,481	5,766,916	-	2,788,900	14,413,497
CHINA CONSTRUCTION BANK A SHS ORD CNY1	88,059,149	44,303,402	-	21,296,400	111,066,151
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	110,120,604	55,421,305	-	26,629,400	138,912,509
CHINA LIFE INSURANCE CO A SHS ORD NPV	14,173,687	7,127,749	-	3,417,000	17,884,436
CHINA MERCHANTS BANK A SHR ORD CNY1	127,257,317	64,028,864	-	30,774,700	160,511,481
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	162,583,137	81,821,823	41,016,312	39,323,400	246,097,872
CHINA OILFIELD SERVICES LTD A SHS ORD CNY1	5,762,060	2,902,893	-	1,400,200	7,264,753
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	24,430,103	12,412,377	-	5,931,100	30,911,380
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	61,895,108	31,150,464	-	14,976,000	78,069,572
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	23,955,403	12,055,725	-	5,795,000	30,216,128
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	17,641,523	10,895,322	-	4,256,400	24,280,445
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	42,798,144	33,910,369	-	12,334,100	64,374,413

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

For the period ended 30 June 2014

	Holdings				30 June 2014
	1 January 2014	Additions	Corporate actions	Disposals	
Investments (continued)					
Listed equities (continued)					
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	116,731,844	58,732,100	-	28,229,100	147,234,844
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	82,471,322	41,506,600	-	19,948,700	104,029,222
CHINA VANKE CO LTD A SHR ORD CNY1	80,987,671	40,728,955	-	19,572,500	102,144,126
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	35,301,700	17,762,603	-	8,525,700	44,538,603
CITIC SECURITIES CO LTD A SHR ORD CNY1	71,730,053	36,176,831	-	17,370,900	90,535,984
CSR CORP LTD A SHR ORD CNY1	-	45,941,086	-	2,584,200	43,356,886
DAQIN RAILWAY CO LTD A SHS ORD CNY1	57,550,299	28,964,688	-	13,911,100	72,603,887
GF SECURITIES CO LTD A SHR ORD CNY1	23,023,321	11,308,826	-	8,912,500	25,419,647
GREAT WALL MOTOR CO LTD A SHRS ORD NPV	3,120,267	1,562,974	-	739,100	3,944,141
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	20,479,690	10,305,658	-	4,951,900	25,833,448
HAITONG SECURITIES CO LTD CL A ORD CNY1	55,178,290	27,765,226	-	13,333,200	69,610,316
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	10,110,302	5,081,586	-	2,431,900	12,759,988
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	6,421,804	3,231,977	-	1,553,900	8,099,881
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1	14,290,012	12,340,652	-	3,441,000	23,189,664
HUAXIA BANK CO LTD A SHR ORD CNY1	28,585,385	14,387,488	-	6,918,500	36,054,373
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	153,062,995	110,189,170	-	38,009,000	225,243,165
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	88,952,536	44,766,445	-	21,512,400	112,206,581
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1	13,914,088	10,114,976	-	3,475,200	20,553,864

**CSOP FTSE CHINA A50 ETF
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)
For the period ended 30 June 2014

	Holdings				30 June 2014
	1 January 2014	Additions	Corporate actions	Disposals	
Investments (continued)					
Listed equities (continued)					
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	3,631,140	1,822,851	458,549	868,500	5,044,040
MIDEA GROUP COMPANY LIMITED A SHR ORD NPV	6,734,710	4,963,176	11,376,978	1,867,100	21,207,764
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	6,078,275	2,949,780	-	3,397,900	5,630,155
PETROCHINA CO LTD A SHRS CNY1	39,368,928	19,810,343	-	9,511,400	49,667,871
PING AN BANK CO LTD A SHR ORD CNY1	39,864,405	18,668,918	9,734,805	9,393,400	58,874,728
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	38,641,029	19,443,430	-	9,341,300	48,743,159
POLY REAL ESTATE GROUP CO LTD A SHR ORD CNY1	38,891,421	6,258,404	-	45,149,825	-
SAIC MOTOR CORP LTD A SHR ORD CNY1	22,530,933	11,329,235	-	5,451,500	28,408,668
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	22,136,907	11,142,969	-	5,360,300	27,919,576
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	96,175,263	48,070,578	-	22,945,100	121,300,741
SUNING COMMERCE GROUP CO LTD A SHR ORD CNY1	36,632,756	18,238,380	-	54,871,136	-
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	16,983,864	8,545,883	-	4,105,500	21,424,247
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	3,380,920	2,013,287	1,854,782	860,100	6,388,889

**CSOP FTSE CHINA A50 ETF
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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/year dated		
30 June 2014	25,226,284,856	6.8615
31 December 2013	20,863,824,165	7.1451
31 December 2012	16,772,831,681	8.2890

Highest and lowest net asset value per unit

	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
Financial period/year ended		
30 June 2014	7.1210	6.3961
31 December 2013	9.1469	6.8307
31 December 2012 (Since 23 August 2012 (date of inception))	8.2890	6.9571

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

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Custodian

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Hong Kong

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