

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

CSOP CES CHINA A80 ETF
(A sub-fund of CSOP ETF Series)

Semi-Annual Report
FOR THE PERIOD ENDED 30 JUNE 2014

**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 RMB42.6 billion of 30 June 2014.

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 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 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
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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 30 June 2014, the dealing Net Asset Value (“NAV”) per unit of the CSOP A80 ETF was RMB 19.132 and there were 11,400,000 units outstanding. The total asset under management was approximately RMB218 million.

For the period from 1 January 2014 to 30 June 2014, the NAV of CSOP A80 ETF RMB counter (stock code 83137) performed -5.65% while the index performed -6.47%. 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 -5.21%.

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 RMB2 million in June 2014. The trading value of the HKD counter (stock code 03137) remained steadily at an average daily turnover of HKD 2 million in June 2014. 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 two semi-annual index rebalances.

**CSOP CES CHINA A80 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		560,000	560,000
CURRENT ASSETS			
Investments	<i>7(c),8(a)</i>	214,699,849	307,822,389
Interest receivable		489	378
Bank balances	<i>7(c)</i>	3,567,773	3,113,884
		<u>218,268,111</u>	<u>310,936,651</u>
Total assets		<u>218,828,111</u>	<u>311,496,651</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liability	<i>6</i>	4,564	524,415
CURRENT LIABILITIES			
Provision for taxation	<i>6</i>	15,371	172,403
Management fee payable	<i>7(a)</i>	158,816	264,045
Establishment costs payable		1,269,383	1,269,383
Other accounts payable		307,948	280,463
		<u>1,751,518</u>	<u>1,986,294</u>
Total liabilities		<u>1,756,082</u>	<u>2,510,709</u>
EQUITY			
Net assets attributable to unitholders	<i>4</i>	<u>217,072,029</u>	<u>308,985,942</u>

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

CSOP CES CHINA A80 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>
INCOME		
Dividend income		3,393,437
Interest income		7,635
Net loss on investments	5	(19,571,988)
Other income		(47,180)
Total net loss		<u>(16,218,096)</u>
EXPENSES		
Management fee	7(a)	(1,066,849)
Trustee fee	7(b)	(240,000)
Transaction costs on investments		(189,028)
Audit fee		(114,055)
Safe custody and bank charges		(36,363)
Other operating expenses		(79,263)
Total operating expenses		<u>(1,725,558)</u>
Operating loss		<u>(17,943,654)</u>
Taxation	6	<u>302,151</u>
Total comprehensive income		<u><u>(17,641,503)</u></u>

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

CSOP CES CHINA A80 ETF
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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>
Net assets attributable to unitholders at the beginning of the period	308,985,942 -----
Proceeds on issue of units	-
Payments on redemption of units	(74,272,410) -----
Net decrease from unit transactions	(74,272,410) -----
Total comprehensive income for the period	(17,641,503) ----- -----
Net assets attributable to unitholders at the end of the period	217,072,029 =====

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

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

CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2014

	Period from 1 January 2014 to 30 June 2014 (Unaudited) <i>RMB</i>
OPERATING ACTIVITIES	
Payments for purchase of investments	(16,527,256)
Proceeds from sale of investments	90,077,808
Dividend received	3,393,437
Interest received	7,524
Other income received	(47,180)
Management fee paid	(1,172,078)
Transaction costs paid	(189,028)
Taxation paid	(374,732)
Other operating expenses paid	(442,196)
	<hr/>
Net cash generated from operating activities	74,726,299
	<hr style="border-top: 1px dashed black;"/>
FINANCING ACTIVITIES	
Proceeds on issue of units	-
Payments on redemption of units	(74,272,410)
	<hr/>
Net cash used in financing activities	(74,272,410)
	<hr style="border-top: 1px dashed black;"/>
Net increase in cash and cash equivalents	453,889
Cash and cash equivalents at the beginning of the period	3,113,884
	<hr/>
Cash and cash equivalents at the end of the period	3,567,773
	<hr style="border-top: 3px double black;"/>
Analysis of balances of cash and cash equivalents	
Bank balances	3,567,773
	<hr style="border-top: 3px double black;"/>

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

**CSOP CES CHINA A80 ETF
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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 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 condensed financial statements are prepared for the Sub-Fund only. The condensed 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 condensed financial statements are set out below. These policies have been consistently applied to the period 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 period from 27 August 2013 (date of inception) to 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 period from 27 August 2013 (date of inception) to 31 December 2013, as described in the annual financial statements.

**CSOP CES CHINA A80 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.

New standards, amendments and interpretations issued but not effective for the financial period beginning 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.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Sub-Fund.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 CES CHINA A80 ETF
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NOTES TO THE UNAUDITED CONDENSED 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 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 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 period 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
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NOTES TO THE UNAUDITED CONDENSED 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.

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 27 August 2013 (date of inception) to 30 June 2014 to be RMB153,713 (period from 27 August 2013 (date of inception) to 31 December 2013: RMB1,724,027) and as at 30 June 2014 to be RMB45,638 (31 December 2013: 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 RMB15,371 (31 December 2013: RMB172,403) and deferred tax liability of RMB4,564 (31 December 2013: RMB524,415), and in aggregate of RMB19,935 (31 December 2013: RMB696,818) represents 0.01% (31 December 2013: 0.23%) of the net assets attributable to unitholders of the Sub-Fund as at 30 June 2014. As the Sub-Fund has no gross realised gains and unrealised gains for the period ended 30 June 2014, hence there is no scope of any exposure to PRC taxation at the rate of 10% and thus no tax provision has been charged to the Condensed Statement of Comprehensive Income. 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 CES CHINA A80 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 are as follows:

	Period from 1 January 2014 to 30 June 2014 (Unaudited)
Number of units in issue at the beginning of the period	15,300,000
Units issued	-
Units redeemed	(3,900,000)
	<hr/>
Number of units in issue at the end of the period	11,400,000
	<hr/> <hr/>
	<i>RMB</i>
Net assets attributable to unitholders per unit at 30 June 2014 (Unaudited)	19.0414
	<hr/> <hr/>
Net assets attributable to unitholders per unit at 31 December 2013 (Audited)	20.1952
	<hr/> <hr/>

5. NET LOSS ON INVESTMENTS

	Period from 1 January 2014 to 30 June 2014 (Unaudited)
	<i>RMB</i>
Net fair value change in unrealised gain/loss in value of investments	(6,079,899)
Net realised loss on sale of investments	(13,492,089)
	<hr/>
	(19,571,988)
	<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 RQFIIs as described in Note 3 above.

**CSOP CES CHINA A80 ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

6. TAXATION (continued)

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

	Period from 1 January 2014 to 30 June 2014 (Unaudited) <i>RMB</i>
Reversal of capital gains tax provision on realised gains on investments	(157,032)
Deferred tax reversed on change in unrealised gains on investments	(519,851)
	<u>(676,883)</u>
Withholding tax on dividend income	373,969
Withholding tax on interest income	763
	<u>374,732</u>
	<u><u>(302,151)</u></u>

The movement in deferred tax liabilities arising from change in unrealised gains on investments during the period from 1 January 2014 to 30 June 2014 is as follows:

	30 June 2014 (Unaudited) <i>RMB</i>
At the beginning of the period	524,415
Deferred tax reversed to the condensed statement of comprehensive income	(519,851)
	<u>4,564</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 CES CHINA A80 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 from 1 January 2014 to 30 June 2014 is as follows:

	30 June 2014 (Unaudited) RMB
At the beginning of the period	172,403
Taxation charged to the condensed statement of comprehensive income for the period	217,700
Tax paid	(374,732)
	<hr/>
At the end of the period	15,371
	<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
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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	10,397,734	4.79	22,650,948	7.33
Consumer goods	31,164,392	14.36	39,860,115	12.90
Consumer services	3,778,085	1.74	6,732,294	2.18
Financials	120,293,694	55.42	174,307,379	56.41
Health Care	7,235,880	3.33	3,610,548	1.17
Industrials	23,876,347	11.00	37,188,020	12.03
Oil & gas	6,191,056	2.85	6,609,437	2.14
Technology	3,371,146	1.55	5,363,650	1.74
Telecommunications	2,000,339	0.92	2,776,650	0.90
Utilities	6,391,176	2.95	8,723,348	2.82
	<u>214,699,849</u>	<u>98.91</u>	<u>307,822,389</u>	<u>99.62</u>

The Sub-Fund held 80 out of 80 (31 December 2013: 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 30 June 2014, if the CES China A80 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 RMB21,469,985 (31 December 2013: 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 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.

**CSOP CES CHINA A80 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)

(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 30 June 2014, the Sub-Fund placed bank balances of RMB417,858 (31 December 2013: 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- (31 December 2013: AA-).

As at 30 June 2014, the Sub-Fund placed bank balances of RMB3,149,915 (31 December 2013: RMB1,207,181) and investments of RMB214,699,849 (31 December 2013: 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 (31 December 2013: A2).

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.

**CSOP CES CHINA A80 ETF
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NOTES TO THE UNAUDITED CONDENSED 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 30 June 2014				
Management fee payable	-	158,816	-	158,816
Establishment costs payable	-	-	1,269,383	1,269,383
Other accounts payable	-	40,000	267,948	307,948
Contractual cash outflow	-	198,816	1,537,331	1,736,147
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 30 June 2014, there were 2 unitholders holding more than 10% of the Sub-Fund's units (31 December 2013: one).

**CSOP CES CHINA A80 ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

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	218,267,622	489	560,000	218,828,111

	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).

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.

**CSOP CES CHINA A80 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 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	214,699,849	-	-	214,699,849
Total assets	<u>214,699,849</u>	<u>-</u>	<u>-</u>	<u>214,699,849</u>
	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 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, there were no transfers between levels.

**CSOP CES CHINA A80 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	-	560,000	-	560,000
Interest receivable	-	489	-	489
Bank balances	<u>3,567,773</u>	<u>-</u>	<u>-</u>	<u>3,567,773</u>
Total	<u><u>3,567,773</u></u>	<u><u>560,489</u></u>	<u><u>-</u></u>	<u><u>4,128,262</u></u>
Liabilities				
Management fee payable	-	158,816	-	158,816
Establishment costs payable	-	1,269,383	-	1,269,383
Other accounts payable	<u>-</u>	<u>307,948</u>	<u>-</u>	<u>307,948</u>
Total	<u><u>-</u></u>	<u><u>1,736,147</u></u>	<u><u>-</u></u>	<u><u>1,736,147</u></u>
	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	<u>3,113,884</u>	<u>-</u>	<u>-</u>	<u>3,113,884</u>
Total	<u><u>3,113,884</u></u>	<u><u>560,378</u></u>	<u><u>-</u></u>	<u><u>3,674,262</u></u>
Liabilities				
Management fee payable	-	264,045	-	264,045
Establishment costs payable	-	1,269,383	-	1,269,383
Other accounts payable	<u>-</u>	<u>280,463</u>	<u>-</u>	<u>280,463</u>
Total	<u><u>-</u></u>	<u><u>1,813,891</u></u>	<u><u>-</u></u>	<u><u>1,813,891</u></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.

**CSOP CES CHINA A80 ETF
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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

During the period ended 30 June 2014, there was no distribution paid by the Sub-Fund.

10. FINANCIAL INSTRUMENTS BY CATEGORY

As of 30 June 2014, 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.

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 30 June 2014 and 31 December 2013.

During the period ended 30 June 2014, the CES China A80 Index decreased by 6.47% while the net asset value per unit of Sub-Fund decreased by 5.65%.

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.

**CSOP CES CHINA A80 ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

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 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 CES China A80 Index, the tracked index.

The total of non-current assets of the Sub-Fund located in PRC in RMB560,000 (31 December 2013: RMB560,000). 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.

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INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2014

	Holdings	Fair value RMB	% of net assets
Investments (98.91%)			
Listed Equities (98.91%)			
China (98.91%)			
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	1,896,900	4,780,188	2.20
AIR CHINA LTD A SHR ORD CNY1	124,500	409,605	0.19
ALUMINUM CORPORATION OF CHINA LTD A SHS ORD NPV	209,900	638,096	0.29
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	146,100	2,296,692	1.06
BANK OF BEIJING CO LTD ORD CNY1 CL A	385,642	3,108,275	1.43
BANK OF CHINA LTD A SHS ORD CNY1	479,400	1,222,470	0.56
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	1,146,800	4,449,584	2.05
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	360,900	1,479,690	0.68
BYD CO LTD A SHRS ORD CNY1	34,215	1,624,870	0.75
CHINA CITIC BANK CORP A SHRS ORD CNY1	216,700	925,309	0.43
CHINA CNR CORP LTD A SHS ORD CNY1	296,200	1,344,748	0.62
CHINA COAL ENERGY CO ORD SHS A ORD CNY1	133,700	538,811	0.25
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	171,600	645,216	0.30
CHINA CONSTRUCTION BANK A SHS ORD CNY1	700,700	2,893,891	1.33
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	1,453,900	3,692,906	1.70
CHINA LIFE INSURANCE CO A SHS ORD NPV	109,544	1,490,894	0.69
CHINA MERCHANTS BANK A SHR ORD CNY1	1,205,442	12,343,726	5.69
CHINA MERCHANTS SECURITIES CO LTD A SHR ORD CNY1	169,650	1,715,161	0.79
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	1,979,894	12,295,142	5.66
CHINA NATIONAL CHEMICAL ENGINEERING CO LTD A SHS ORD NPV	144,100	750,761	0.35
CHINA OILFIELD SERVICES LTD A SHS ORD CNY1	43,200	759,888	0.35
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	229,557	4,083,819	1.88
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	410,400	2,162,808	1.00
CHINA RAILWAY GROUP LTD A ORD CNY1	499,400	1,288,452	0.59
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	224,900	1,036,789	0.48
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	240,900	3,502,686	1.61
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	512,200	2,468,804	1.14
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	1,095,600	3,089,592	1.42
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	619,300	2,000,339	0.92
CHINA VANKE CO LTD A SHR ORD CNY1	707,100	5,847,717	2.69
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	361,532	2,248,729	1.04
CHONGQING CHANGAN AUTOMOBILE CO LTD A SHR ORD CNY1	137,400	1,691,394	0.78
CITIC SECURITIES CO LTD A SHR ORD CNY1	574,900	6,588,354	3.04
CSR CORP LTD A SHR ORD CNY1	344,100	1,548,450	0.71
DAQIN RAILWAY CO LTD A SHS ORD CNY1	434,361	2,740,818	1.26
DATANG INTERNATIONAL POWER GENERATION CO LTD A SHS ORD CNY1	218,956	779,483	0.36
GD POWER DEVELOPMENT CO LTD A SHS ORD CNY1	629,300	1,365,581	0.63

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INVESTMENT PORTFOLIO (Unaudited) (continued)

As at 30 June 2014

	Holdings	Fair value RMB	% of net assets
Investments (98.91%) (continued)			
Listed equities (98.91%) (continued)			
China (98.91%) (continued)			
GF SECURITIES CO LTD A SHR ORD CNY1	216,200	2,118,760	0.98
GOERTEK INC A SHS ORD CNY1	55,795	1,487,495	0.69
GREAT WALL MOTOR CO LTD A SHRS ORD NPV	29,333	742,125	0.34
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	175,800	5,177,310	2.39
GUANGHUI ENERGY CO LTD A SHS ORD CNY1	228,820	1,606,316	0.74
HAITONG SECURITIES CO LTD CL A ORD CNY1	591,100	5,408,565	2.49
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	87,981	1,490,398	0.69
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	48,189	1,724,684	0.79
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1	306,800	1,736,488	0.80
HUATAI SECURITIES CO LTD A SHS ORD CNY1	204,522	1,538,005	0.71
HUAXIA BANK CO LTD A SHR ORD CNY1	325,213	2,666,747	1.23
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	1,250,700	4,239,873	1.95
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	835,000	8,375,050	3.86
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1	119,385	3,954,031	1.82
INNER MONGOLIA BAOTOU STEEL RARE-EARTH HI TECH CO LTD A SHR ORD CNY1	106,150	2,085,848	0.96
JIANGSU HENGRUI MEDICINE CO LTD A SHR ORD CNY1	54,673	1,812,957	0.84
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	23,601	1,197,751	0.55
JIANGXI COPPER CO LTD A SHRS ORD CNY1	60,600	743,562	0.34
KANGMEI PHARMACEUTICAL CO LTD A SHR ORD CNY1	112,400	1,680,380	0.77
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	33,328	4,731,909	2.18
MIDEA GROUP COMPANY LIMITED A SHR ORD NPV	123,137	2,379,007	1.10
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	60,939	1,287,641	0.59
PETROCHINA CO LTD A SHRS CNY1	284,000	2,141,360	0.99
PING AN BANK CO LTD A SHR ORD CNY1	417,276	4,135,205	1.90
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	349,630	13,754,444	6.34
POLY REAL ESTATE GROUP CO LTD A SHR ORD CNY1	469,209	2,327,277	1.07
QINGDAO HAIER CO LTD A SHR ORD CNY1	119,200	1,759,392	0.81
SAIC MOTOR CORP LTD A SHR ORD CNY1	241,600	3,696,480	1.70
SANY HEAVY INDUSTRY CO LTD A ORD CNY1	222,500	1,121,400	0.52
SHAANXI COAL INDUSTRY CO L - A SHRS ORD CNY1	36,500	150,745	0.07
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	332,400	1,479,180	0.68
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	817,500	7,398,375	3.41
SHENZHEN OVERSEAS CHINESE TOWN CO LTD A SHR ORD CNY1	265,600	1,245,664	0.57

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INVESTMENT PORTFOLIO (Unaudited) (continued)

As at 30 June 2014

	Holdings	Fair value RMB	% of net assets
Investments (98.91%) (continued)			
Listed equities (98.91%) (continued)			
China (98.91%) (continued)			
SUNING COMMERCE GROUP CO LTD A SHR ORD CNY1	323,600	2,122,816	0.98
TASLY PHARMACEUTICAL CO LTD A SHR ORD CNY1	45,300	1,756,281	0.81
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	138,619	2,485,439	1.14
YANTAI JEREH OILFIELD SERVICES GROUP CO LTD A SHR ORD CNY1	28,000	1,127,000	0.52
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	38,051	1,986,262	0.92
ZHEJIANG DAHUA TECHNOLOGY CO LTD A SHS ORD CNY1	42,800	1,153,460	0.53
ZHEJIANG ZHENENG ELECTRIC - A SHRS ORD CNY1	57,720	260,894	0.12
ZIJIN MINING GROUP CO LTD A SHR ORD CNY0.1	577,200	1,258,296	0.58
ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY CO LTD A SHR ORD CNY1	320,900	1,421,587	0.65
ZTE CORPORATION A SHR ORD CNY1	143,571	1,883,652	0.87
Total investments		214,699,849	98.91
Other net assets		2,372,180	1.09
Net assets attributable to unitholders at 30 June 2014		217,072,029	100.00
Total investments, at cost		242,455,941	

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2014

	31 December 2013	Additions	Holdings		30 June 2014
			Corporate actions	Disposals	
Investments					
Listed equities					
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	2,649,200	9,900	-	762,200	1,896,900
AIR CHINA LTD A SHR ORD CNY1	174,000	400	-	49,900	124,500
ALUMINUM CORPORATION OF CHINA LTD A SHS ORD NPV	293,000	1,600	-	84,700	209,900
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	204,100	600	-	58,600	146,100
BANK OF BEIJING CO LTD ORD CNY1 CL A	538,542	2,200	-	155,100	385,642
BANK OF CHINA LTD A SHS ORD CNY1	647,700	2,100	-	170,400	479,400
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	1,601,600	5,800	-	460,600	1,146,800
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	504,200	1,800	-	145,100	360,900
BYD CO LTD A SHRS ORD CNY1	47,915	-	-	13,700	34,215
CHINA CITIC BANK CORP A SHRS ORD CNY1	302,200	1,400	-	86,900	216,700
CHINA CNR CORP LTD A SHS ORD CNY1	421,000	1,900	-	126,700	296,200
CHINA COAL ENERGY CO ORD SHS A ORD CNY1	186,500	1,100	-	53,900	133,700
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	239,800	700	-	68,900	171,600
CHINA CONSTRUCTION BANK A SHS ORD CNY1	978,300	3,900	-	281,500	700,700
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	1,649,600	228,100	-	423,800	1,453,900
CHINA LIFE INSURANCE CO A SHS ORD NPV	153,044	500	-	44,000	109,544
CHINA MERCHANTS BANK A SHR ORD CNY1	1,683,542	6,500	-	484,600	1,205,442
CHINA MERCHANTS SECURITIES CO LTD A SHR ORD CNY1	237,550	1,300	-	69,200	169,650
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	2,304,312	8,400	329,982	662,800	1,979,894
CHINA NATIONAL CHEMICAL ENGINEERING CO LTD A SHS ORD NPV	-	144,100	-	-	144,100
CHINA OILFIELD SERVICES LTD A SHS ORD CNY1	60,300	400	-	17,500	43,200

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

For the period ended 30 June 2014

	Holdings				30 June 2014
	31 December 2013	Additions	Corporate actions	Disposals	
Investments (continued)					
Listed equities (continued)					
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	320,657	1,200	-	92,300	229,557
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	562,400	2,200	-	154,200	410,400
CHINA RAILWAY GROUP LTD A ORD CNY1	523,000	110,900	-	134,500	499,400
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	313,900	1,600	-	90,600	224,900
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	336,600	1,100	-	96,800	240,900
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	619,000	112,400	-	219,200	512,200
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	1,530,100	5,600	-	440,100	1,095,600
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	865,000	3,300	-	249,000	619,300
CHINA VANKE CO LTD A SHR ORD CNY1	987,600	3,700	-	284,200	707,100
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	505,132	1,600	-	145,200	361,532
CHONGQING CHANGAN AUTOMOBILE CO LTD A SHR ORD CNY1	-	137,400	-	-	137,400
CITIC SECURITIES CO LTD A SHR ORD CNY1	702,700	52,700	-	180,500	574,900
CSR CORP LTD A SHR ORD CNY1	480,300	2,000	-	138,200	344,100
DAQIN RAILWAY CO LTD A SHS ORD CNY1	606,861	2,000	-	174,500	434,361
DATANG INTERNATIONAL POWER GENERATION CO LTD A SHS ORD CNY1	305,956	1,000	-	88,000	218,956
GD POWER DEVELOPMENT CO LTD A SHS ORD CNY1	878,700	3,800	-	253,200	629,300
GF SECURITIES CO LTD A SHR ORD CNY1	302,200	700	-	86,700	216,200
GOERTEK INC A SHS ORD CNY1	78,095	-	-	22,300	55,795
GREAT WALL MOTOR CO LTD A SHRS ORD NPV	41,033	100	-	11,800	29,333
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	245,700	600	-	70,500	175,800

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

For the period ended 30 June 2014

	Holdings				30 June 2014
	31 December 2013	Additions	Corporate actions	Disposals	
Investments (continued)					
Listed equities (continued)					
GUANGHUI ENERGY CO LTD A SHS ORD CNY1	319,520	1,400	-	92,100	228,820
HAITONG SECURITIES CO LTD CL A ORD CNY1	825,700	2,800	-	237,400	591,100
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	122,981	300	-	35,300	87,981
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	67,489	-	-	19,300	48,189
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1	428,600	1,400	-	123,200	306,800
HUATAI SECURITIES CO LTD A SHS ORD CNY1	285,722	900	-	82,100	204,522
HUAXIA BANK CO LTD A SHR ORD CNY1	454,413	1,400	-	130,600	325,213
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	1,663,400	14,700	-	427,400	1,250,700
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	1,166,400	4,100	-	335,500	835,000
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1	145,685	11,400	-	37,700	119,385
INNER MONGOLIA BAOTOU STEEL RARE-EARTH HI TECH CO LTD A SHR ORD CNY1	148,350	400	-	42,600	106,150
JIANGSU HENGRUI MEDICINE CO LTD A SHR ORD CNY1	-	54,673	-	-	54,673
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	32,701	400	-	9,500	23,601
JIANGXI COPPER CO LTD A SHRS ORD CNY1	84,400	900	-	24,700	60,600
JINDUICHENG MOLYBDENUM CO A SHS ORD CNY1	99,000	-	-	99,000	-
KANGMEI PHARMACEUTICAL CO LTD A SHR ORD CNY1	-	112,400	-	-	112,400
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	42,598	-	3,030	12,300	33,328
LUZHOU LAOJIAO CO LTD A SHR ORD CNY1	71,300	300	-	71,600	-
METALLURGICAL CORPORATION OF CHINA LTD A SHRS ORD CNY1	496,800	2,300	-	499,100	-

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

For the period ended 30 June 2014

	Holdings				30 June 2014
	31 December 2013	Additions	Corporate actions	Disposals	
Investments (continued)					
Listed equities (continued)					
MIDEA GROUP COMPANY LIMITED A SHR ORD NPV	68,435	1,500	76,702	23,500	123,137
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	84,939	700	-	24,700	60,939
PETROCHINA CO LTD A SHRS CNY1	355,900	19,600	-	91,500	284,000
PING AN BANK CO LTD A SHR ORD CNY1	418,230	69,000	72,546	142,500	417,276
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	488,230	1,900	-	140,500	349,630
POLY REAL ESTATE GROUP CO LTD A SHR ORD CNY1	436,873	1,800	163,436	132,900	469,209
QINGDAO HAIER CO LTD A SHR ORD CNY1	-	119,200	-	-	119,200
QINGHAI SALT LAKE POTASH CO LTD A SHR ORD CNY1	64,700	700	-	65,400	-
SAIC MOTOR CORP LTD A SHR ORD CNY1	337,700	800	-	96,900	241,600
SANY HEAVY INDUSTRY CO LTD A ORD CNY1	310,900	1,000	-	89,400	222,500
SHAANXI COAL INDUSTRY CO L - A SHRS ORD CNY1	-	36,500	-	-	36,500
SHANDONG GOLD MINING CO LTD SHS A ORD CNY1	72,800	-	-	72,800	-
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	464,500	1,400	-	133,500	332,400
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	1,141,400	4,600	-	328,500	817,500
SHANXI LU'AN ENVIROMENT ENGY DEV CO LTD A SHS ORD CNY1	94,173	-	-	94,173	-
SHANXI XISHAN COAL & ELEC POWER CO LTD A SHR ORD CNY1	160,415	1,200	-	161,615	-
SHENZHEN OVERSEAS CHINESE TOWN CO LTD A SHR ORD CNY1	370,800	1,600	-	106,800	265,600
SUNING COMMERCE GROUP CO LTD A SHR ORD CNY1	451,800	1,900	-	130,100	323,600
TASLY PHARMACEUTICAL CO LTD A SHR ORD CNY1	-	45,300	-	-	45,300

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

For the period ended 30 June 2014

	Holdings				30 June 2014
	31 December 2013	Additions	Corporate actions	Disposals	
Investments (continued)					
Listed equities (continued)					
WEICHAI POWER CO LTD A SHS ORD CNY1	108,300	100	-	108,400	-
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	193,719	600	-	55,700	138,619
YANTAI JEREH OILFIELD SERVICES GROUP CO LTD A SHR ORD CNY1	-	28,000	-	-	28,000
YANZHOU COAL MINING CO LTD A SHRS ORD CNY1	60,300	400	-	60,700	-
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	35,401	200	13,250	10,800	38,051
ZHEJIANG DAHUA TECHNOLOGY CO LTD A SHS ORD CNY1	-	42,800	-	-	42,800
ZHEJIANG ZHENENG ELECTRIC - A SHRS ORD CNY1	-	44,400	13,320	-	57,720
ZHONGJIN GOLD CO LTD A SHR ORD CNY1	149,800	800	-	150,600	-
ZIJIN MINING GROUP CO LTD A SHR ORD CNY0.1	805,800	3,200	-	231,800	577,200
ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY CO LTD A SHR ORD CNY1	448,200	1,600	-	128,900	320,900
ZTE CORPORATION A SHR ORD CNY1	200,771	300	-	57,500	143,571
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**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		
30 June 2014	217,072,029	19.0414
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		
30 June 2014	20.1289	17.9974
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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