

ChinaAMC ETF Series
ChinaAMC CSI 300 Index ETF

Annual Report

For the year ended 31 December 2015



华夏基金
ChinaAMC

ANNUAL REPORT

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

For the year ended 31 December 2015

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CONTENTS

	Pages
MANAGEMENT AND ADMINISTRATION	1 - 3
REPORT OF THE MANAGER TO THE UNITHOLDERS	4 - 5
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	6
STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE	7
INDEPENDENT AUDITORS' REPORT	8 - 9
AUDITED FINANCIAL STATEMENTS	
Statement of financial position	10
Statement of comprehensive income	11
Statement of changes in net assets attributable to unitholders	12
Statement of cash flows	13
Statement of distribution	14
Notes to financial statements	15 - 39
INVESTMENT PORTFOLIO	40 - 48
MOVEMENTS IN INVESTMENT PORTFOLIO	49 - 59
PERFORMANCE RECORD	60

IMPORTANT:

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about the Sub-Fund, please refer to the prospectus of the Sub-Fund which is available at our website: <http://etf.chinaamc.com.hk/HKen/CSI300>

Investors should not rely on the information contained in this report for their investment decisions.

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

MANAGEMENT AND ADMINISTRATION

Manager and RQFII Holder

China Asset Management (Hong Kong) Limited
37/F, Bank of China Tower
1 Garden Road
Central, Hong Kong

Directors of the Manager

Mr. Yang Minghui
Mr. Zhang Xiaoling
Mr. Zhou Quan (resigned on 10 April 2015)
Mr. Gan Tian

Trustee

Cititrust Limited
50/F, Citibank Tower, Citibank Plaza
3 Garden Road
Central, Hong Kong

PRC Custodian

Citibank (China) Co., Limited
Citigroup Tower
No. 33, Hua Yuan Shi Qiao Road
Lu Jia Zui Finance and Trade Area, Shanghai
People's Republic of China

Auditors

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

Investment Adviser

China Asset Management Co., Ltd.
3/F Tower B, Tongtai Building
No. 33 Finance Street
Xicheng District, Beijing
People's Republic of China

Administrator and Custodian

Citibank, N.A.
50/F, Citibank Tower, Citibank Plaza
3 Garden Road, Central
Hong Kong

Registrar

Computershare Hong Kong Investor Services
Limited
46/F, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Service Agent

HK Conversion Agency Services Limited
2/F, Infinitus Plaza
199 Des Voeus Road
Central, Hong Kong

Legal Counsel to the Manager

Simmons & Simmons
13/F, One Pacific Place
88 Queensway
Central, Hong Kong

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

MANAGEMENT AND ADMINISTRATION (continued)

Participating Dealers

ABN AMRO Clearing Hong Kong Limited
70/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

BNP Paribas Securities (Asia) Limited
59/F-63/F, Two International Finance Centre
8 Finance Street
Central, Hong Kong

BOCI Securities Limited
18/F, Grand Millennium Plaza
181 Queen's Road
Central, Hong Kong

China International Capital Corporation
Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

China Merchants Securities (HK) Co., Limited
48/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

CITIC Securities Brokerage (HK) Limited
26/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

Credit Suisse Securities (Hong Kong) Limited
88/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Deutsche Securities Asia Limited
52/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Goldman Sachs (Asia) Securities Limited
68/F, Cheung Kong Center
2 Queen's Road
Central, Hong Kong

Guotai Junan Securities (Hong Kong) Limited
27/F, Low Block, Grand Millennium Plaza
181 Queen's Road
Central, Hong Kong

Haitong International Securities Company Limited
35/F, Infinitus Plaza
199 Des Voeux Road
Central, Hong Kong

J.P. Morgan Broking (Hong Kong) Limited
33/F, One Island East
18 Westlands Road, Island East
Hong Kong

Macquarie Bank Limited
Level 18, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Merrill Lynch Far East Limited
15/F, Citibank Tower
3 Garden Road
Central, Hong Kong

Morgan Stanley Hong Kong Securities Limited
46/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Nomura International (Hong Kong) Limited
30/F, Two International Finance Centre
8 Finance Street
Central, Hong Kong

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

MANAGEMENT AND ADMINISTRATION (continued)

Participating Dealers (continued)

SG Securities (HK) Limited
38/F, Pacific Place 3
1 Queen's Road East
Admiralty, Hong Kong

UBS Securities Hong Kong Limited
42/F, One Exchange Square
Central, Hong Kong

The Hongkong and Shanghai Banking Corporation
Limited
Level 18, HSBC Main Building
1 Queen's Road
Central, Hong Kong

Yuanta Securities (Hong Kong) Company Limited
23/F, Tower 1, Admiralty Centre
18 Harcourt Road
Admiralty, Hong Kong

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The ChinaAMC CSI 300 Index ETF (the “Sub-Fund”), a sub-fund of ChinaAMC ETF Series, an umbrella unit trust established under Hong Kong law by a trust deed dated 28 May 2012 as amended between China Asset Management (Hong Kong) Limited (the “Manager”) and Cititrust Limited (the “Trustee”). The Sub-Fund is a physical exchange traded fund investing directly in underlying A-Shares. Its RMB counter (stock code: 83188) and HKD counter (stock code: 03188) commenced trading on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 17 July 2012 and 26 October 2012 respectively. The Sub-Fund is an index-tracking fund that seeks to track the performance of the CSI 300 Index (the “Index”).

The Manager primarily uses a full replication strategy through investing directly in securities included in the Index with substantially the same weightings in which they are included in the Index, with the Renminbi Qualified Foreign Institutional Investor (“RQFII”) investment quota of RMB 11.45 billion (as of 31 December 2015) granted to the Manager by the State Administration of Foreign Exchange (the “SAFE”). The Manager may also use a representative sampling strategy when it is not possible to acquire certain securities which are constituents of the Index due to restrictions or limited availability. This means that the Sub-Fund will invest directly in a representative sample of securities that collectively has an investment profile that aims to reflect the profile of the Index, through the RQFII investment quota granted to the Manager by the SAFE. The securities constituting the representative sample may or may not themselves be constituents of the Index.

Performance of the Sub-Fund

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

The performance of the Sub-Fund is in below (Total Returns in respective currency^{1,2}):

	1-Month	3-Months	Since Launch
The Index	4.62%	16.49%	55.48% ³
RMB Counter of the Sub-Fund (NAV-to-NAV)	4.80%	17.64%	58.45% ³
RMB Counter of the Sub-Fund (Market-to-Market)	5.98%	19.25%	57.44% ⁴
HKD Counter of the Sub-Fund (NAV-to-NAV)	2.42%	13.45%	57.23% ⁵
HKD Counter of the Sub-Fund (Market-to-Market)	3.10%	15.00%	59.33% ⁶

¹ Source: Bloomberg, as of 31 December 2015. Performances of CSI 300 Index and RMB Counter of the Sub-Fund are calculated in RMB while performances of HKD Counter of the Sub-Fund are calculated in HKD.

² Past performance figures shown are not indicative of the future performance of the Sub-Fund

³ Calculated since 16 July 2012

⁴ Calculated since 17 July 2012

⁵ Calculated since 25 October 2012

⁶ Calculated since 26 October 2012

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

Activities of the Sub-Fund

According to Bloomberg, the average daily trading volume of the Sub-Fund was approximately 12,088,961 units from 1 January 2015 to 31 December 2015. As of 31 December 2015, there were 269,250,000 units outstanding.

Activities of the Index

There were two rebalances for the Index from 1 January 2015 to 31 December 2015. As of 31 December 2015, the Sub-Fund comprised of all 300 constituent stocks in the Index.

China Asset Management (Hong Kong) Limited
22 April 2016

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, China Asset Management (Hong Kong) Limited, the Manager of ChinaAMC CSI 300 Index ETF (the "Sub-Fund") has, in all material respects, managed the Sub-Fund in accordance with the provisions of the trust deed dated 28 May 2012 as amended (the "Trust Deed"), for the year ended 31 December 2015.

Cititrust Limited
22 April 2016

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

Manager's responsibilities

The Manager of the ChinaAMC CSI 300 Index ETF (a sub-fund of ChinaAMC ETF Series) is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code") and the trust deed dated 28 May 2012 as amended (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements the Manager is required to:

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

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

ChinaAMC ETF Series (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 December 2015, the Trust has established with two sub-funds.

Trustee's responsibilities

The Trustee of the Sub-Fund is required to:

- ensure that the Sub-Fund is managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period on the conduct of the Manager in the management of the Sub-Fund.

Independent Auditors' Report

To the unitholders of ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

We have audited the financial statements of ChinaAMC CSI 300 Index ETF (a sub-fund of ChinaAMC ETF Series (the "Trust") and referred to as the "Sub-Fund") set out on pages 10 to 39, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders, statement of cash flows and statement of distribution for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustee's and Manager's responsibilities for the financial statements

The Trustee and the Manager of the Sub-Fund are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and are responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 28 May 2012 as amended (the "Trust Deed") and the disclosure requirements specified in Appendix E to the Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission of Hong Kong (the "SFC Code") and for such internal control as the Trustee and the Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. We are also required to assess whether the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the disclosure requirements specified in Appendix E of the SFC Code.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Sub-Fund's preparation of the financial statements that give a true and fair value in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee and the Manager, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditors' Report (continued)

To the unitholders of ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

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

Hong Kong
22 April 2016

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

STATEMENT OF FINANCIAL POSITION

31 December 2015

	Notes	2015 RMB	2014 RMB
ASSETS			
Financial assets at fair value through profit or loss	12	10,162,244,705	11,900,403,350
Other receivable		1,331,707	2,195,076
Amounts due from broker	8	1,148,400	–
Cash and cash equivalents	14	<u>95,925,572</u>	<u>105,751,957</u>
TOTAL ASSETS		<u>10,260,650,384</u>	<u>12,008,350,383</u>
LIABILITIES			
Management fee payable	5	6,097,518	17,678,636
Custodian, fund administration and trustee fees payable	5	2,559,787	3,050,361
Withholding income tax provision	4, 7	–	116,842,305
Amounts due to participating dealers	9	16,446,976	31,367,485
Other payables and accruals		<u>1,811,108</u>	<u>1,368,593</u>
TOTAL LIABILITIES		<u>26,915,389</u>	<u>170,307,380</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	11	<u>10,233,734,995</u>	<u>11,838,043,003</u>
NUMBER OF UNITS IN ISSUE	11	<u>269,250,000</u>	<u>335,100,000</u>
NET ASSET VALUE PER UNIT	11	<u>38.0083</u>	<u>35.3269</u>

The accompanying notes are an integral part of these financial statements.

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2015

	Notes	2015 RMB	2014 RMB
INCOME			
Dividend income		197,108,626	209,179,963
Interest income		<u>1,256,645</u>	<u>413,316</u>
		<u>198,365,271</u>	<u>209,593,279</u>
EXPENSES			
Management fees	5	(78,848,129)	(59,007,430)
Brokerage fees	5	(21,894,787)	(9,136,202)
Custodian, fund administration and trustee fees	5	(8,018,249)	(5,900,743)
Audit fee		(198,210)	(308,073)
Index licensing fee		(54,895)	(50,880)
Data licensing fee		(4,502,259)	(3,107,452)
Professional fee		(1,212,309)	(346,156)
Other operating expenses		(19,004,474)	(8,566,778)
		<u>(133,733,312)</u>	<u>(86,423,714)</u>
PROFIT BEFORE INVESTMENT AND EXCHANGE DIFFERENCES		64,631,959	123,169,565
INVESTMENT GAINS/(LOSSES) AND EXCHANGE DIFFERENCES			
Net change in unrealised (losses)/gains on financial assets at fair value through profit or loss		(2,775,820,526)	3,861,558,134
Net realised gains on financial assets at fair value through profit or loss		3,948,723,805	344,305,351
Net foreign exchange losses		<u>(119)</u>	<u>—</u>
NET INVESTMENTS AND EXCHANGE GAINS		<u>1,172,903,160</u>	<u>4,205,863,485</u>
PROFIT BEFORE TAX		1,237,535,119	4,329,033,050
Withholding income tax credit	7	<u>87,224,573</u>	<u>29,410,344</u>
TOTAL COMPREHENSIVE INCOME		<u>1,324,759,692</u>	<u>4,358,443,394</u>

The accompanying notes are an integral part of these financial statements.

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Year ended 31 December 2015

	Note	RMB
At 1 January 2014		9,172,353,719
Issue of units		4,055,311,057
Redemption of units		(5,640,065,167)
Total comprehensive income		4,358,443,394
Distribution to unitholders	10	<u>(108,000,000)</u>
At 31 December 2014 and 1 January 2015		11,838,043,003
Issue of units		10,798,954,281
Redemption of units		(13,634,511,981)
Total comprehensive income		1,324,759,692
Distribution to unitholders	10	<u>(93,510,000)</u>
At 31 December 2015		<u><u>10,233,734,995</u></u>

The accompanying notes are an integral part of these financial statements.

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

STATEMENT OF CASH FLOWS

Year ended 31 December 2015

	Note	2015 RMB	2014 RMB
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,237,535,119	4,329,033,050
Adjustments for:			
Net realised gains on financial assets at fair value through profit or loss	(	3,948,723,805)	(344,305,351)
Net change in unrealised losses/(gains) on financial assets at fair value through profit or loss		2,775,820,526	(3,861,558,134)
Operating gains before changes in working capital		<u>64,631,840</u>	<u>123,169,565</u>
Purchase of financial assets at fair value through profit or loss	(	12,317,556,488)	(4,939,991,059)
Proceeds from sale of financial assets at fair value through profit or loss		15,228,618,412	6,499,696,720
Decrease in other receivable		863,369	317,135
Increase in amounts due from broker	(	1,148,400)	–
(Decrease)/increase in management fee payable	(	11,581,118)	12,117,557
(Decrease)/increase in custodian, fund administration and trustee fees payable	(	490,574)	335,750
Increase in other payables and accruals		442,515	327,611
Cash generated from operations		<u>2,963,779,556</u>	<u>1,695,973,279</u>
Tax paid	(	29,617,732)	(22,079,736)
Net cash flows from operating activities		<u>2,934,161,824</u>	<u>1,673,893,543</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution paid to unitholders	(	93,510,000)	(108,000,000)
Proceeds from issue of units		10,801,351,690	4,055,610,130
Payments on redemption of units	(	13,651,829,899)	(5,608,996,755)
Net cash flows used in financing activities	(	2,943,988,209)	(1,661,386,625)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year	(	9,826,385)	12,506,918
		<u>105,751,957</u>	<u>93,245,039</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR			
	14	<u>95,925,572</u>	<u>105,751,957</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash at bank	14	<u>95,925,572</u>	<u>105,751,957</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:			
Dividend received		176,257,564	187,141,559
Interest received		1,131,052	371,984

The accompanying notes are an integral part of these financial statements.

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

STATEMENT OF DISTRIBUTION

Year ended 31 December 2015

	Note	RMB
Undistributed income at 31 December 2013		–
Total comprehensive income		4,358,443,394
Less: net gains on financial assets at fair value through profit or loss		<u>(4,205,863,485)</u>
Undistributed income before distribution		152,579,909
Interim distribution declared on 16 July 2014 (RMB0.30 per unit)	10	(108,000,000)
Transfer to capital		<u>(44,579,909)</u>
Undistributed income at 31 December 2014 and 1 January 2015		–
Total comprehensive income		1,324,759,692
Less: net gains on financial assets at fair value through profit or loss		<u>(1,172,903,160)</u>
Undistributed income before distribution		151,856,532
Interim distribution declared on 16 July 2015 (RMB0.30 per unit)	10	(93,510,000)
Transfer to capital		<u>(58,346,532)</u>
Undistributed income at 31 December 2015		<u>–</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

1. THE TRUST

ChinaAMC ETF Series (the "Trust") is an umbrella unit trust governed by its trust deed dated 28 May 2012 as amended (the "Trust Deed") between China Asset Management (Hong Kong) Limited (the "Manager") and Cititrust Limited (the "Trustee"). It is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") pursuant to Section 104(1) of the Securities and Futures Ordinance of Hong Kong.

These financial statements relate to the first sub-fund of the Trust, ChinaAMC CSI 300 Index ETF (the "Sub-Fund"). The Sub-Fund commenced trading under the stock codes 83188 (RMB counter) and 03188 (HKD counter) on the Stock Exchange of Hong Kong Limited ("SEHK") on 17 July 2012 and 26 October 2012, respectively. On 27 February 2013, the Sub-Fund commenced trading under the stock code 1575 on the Tokyo Stock Exchange ("TSE").

Pursuant to the guidelines on management and operation of Renminbi Qualified Foreign Institutional Investor ("RQFII") issued by the State of Administration of Foreign Exchange ("SAFE") on and effective from 30 May 2014, a RQFII has the flexibility to allocate its RQFII quota granted by SAFE across different public fund products under its management. Accordingly, the Sub-Fund no longer has the exclusive use of all the RQFII quota previously granted by SAFE to the Manager in respect of the Sub-Fund. The Manager, at its discretion, may re-allocate the RQFII quota in respect of the Sub-Fund to other public fund products under its management or vice versa without having to obtain prior approval from SAFE.

The investment objective of the Sub-Fund is to provide investment results that closely correspond to the performance of the CSI 300 Index (the "Index"). The Sub-Fund is a physical exchange traded fund investing directly in the underlying A-Shares of the Index.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standard Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds of the SFC (the "SFC Code").

They have been prepared under the historical cost basis, except for financial assets classified at fair value through profit or loss that have been measured at fair value. These financial statements are presented in Chinese Renminbi ("RMB") and all values are rounded to the nearest RMB except where otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting principles adopted in the current year are consistent with those of the prior year; except that the Sub-Fund has adopted the following revised accounting standard:

Annual Improvements 2010-2012 Cycle

The Sub-Fund has applied the applicable improvement for the first time in these financial statements. This includes:

IAS 24 Related Party Disclosures: Clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment to IAS 24 has no impact on the Sub-Fund.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Sub-Fund has not early applied any of the new and revised IFRSs that have been issued but are not yet effective for the accounting year ended 31 December 2015, in these financial statements. Among the new and revised IFRSs, the following are expected to be relevant to the Sub-Fund's financial statements upon becoming effective:

IFRS 9	<i>Financial Instruments</i> ¹
IFRS 15	<i>Revenue from Contracts with Customer</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2018

In July 2014, the IASB issued the final version of IFRS 9, which reflects all phases of the financial instruments project and replaces IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting.

IFRS 15 was issued in May 2014 and shall be applied to a financial period beginning on or after 1 January 2018. The new standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs.

The Sub-Fund is currently assessing the impact of IFRS 9 and IFRS 15, and plans to adopt the new standards on the required effective date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(i) Classification

The Sub-Fund classifies its financial assets and liabilities into the following categories, in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*.

Financial assets at fair value through profit or loss

Financial assets designated as at fair value through profit or loss upon initial recognition: these include equity securities. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Sub-Fund.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Sub-Fund includes in this category amounts relating to other receivable.

Financial liabilities

This category includes all financial liabilities. The Sub-Fund includes in this category amounts relating to management fee payable, custodian, fund administration and trustee fees payable, amounts due to participating dealers and other payables and accruals.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(ii) Recognition

The Sub-Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Sub-Fund commits to purchase or sell the financial asset.

(iii) Initial measurement

Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

Loans and receivables and financial liabilities are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

After initial measurement, the Sub-Fund measures financial instruments which are classified as at fair value through profit or loss, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net change in unrealised gains/losses on financial assets at fair value through profit or loss. Interest and dividend earned on these instruments are recorded separately in interest income and dividend income.

Loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at fair value through profit or loss, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(v) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Sub-Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either

- the Sub-Fund has transferred substantially all the risks and rewards of the asset, or
- the Sub-Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Sub-Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Sub-Fund's continuing involvement in the asset. In that case, the Sub-Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Fund has retained. The Sub-Fund derecognises a financial liability when the obligation under the liability is discharged.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Sub-Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Sub-Fund assesses at the end of each reporting period whether a financial asset or group of financial assets classified as loans and receivables is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as 'credit loss expense'.

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Sub-Fund. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a previous write-off is later recovered, the recovery is credited to the profit or loss.

Interest revenue on impaired financial assets is recognised using the rate of interest to discount the future cash flows for the purpose of measuring the impairment loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand, demand deposits, short-term deposits in banks and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as cash and cash equivalents.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Redeemable units

Redeemable units are classified as an equity instrument when:

- (a) The redeemable units entitle the holder to a *pro-rata* share of the Sub-Fund's net assets in the event of the Sub-Fund's liquidation.
- (b) The redeemable units are in the class of instruments that is subordinate to all other classes of instruments.
- (c) All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features.
- (d) The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a *pro-rata* share of the Sub-Fund's net assets.
- (e) The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund over the life of the instrument.

In addition to the redeemable units having all the above features, the Sub-Fund must have no other financial instrument or contract that has:

- (a) Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund, and
- (b) The effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Sub-Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Sub-Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Sub-Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

Upon issuance of redeemable units, the consideration received is included in equity. Transaction costs incurred by the Sub-Fund in issuing or acquiring its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Own equity instruments that are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issuance or cancellation of the Sub-Fund's own equity instruments.

Dividend income

Dividend income is recognised when the Sub-Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding income taxes, which are disclosed separately in the statement of comprehensive income.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income as it accrues, using the effective interest method.

Net change in unrealised gains or losses on financial assets at fair value through profit or loss

This item includes changes in the fair value of financial assets and liabilities as at fair value through profit or loss and excludes interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Net realised gains or losses on disposal of financial investment

Realised gains and losses on disposals of financial instruments classified as at fair value through profit or loss are calculated using the weighted average method. They represent the difference between an instrument's average cost and disposal amount.

Foreign currency

These financial statements are presented in RMB, which is the Sub-Fund's functional and presentation currency. Foreign currency transactions recorded by the Sub-Fund are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or transaction of monetary items are recognised in the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Functional currency

The Sub-Fund's functional currency is RMB, which is the currency of the primary economic environment in which it operates. The Sub-Fund's performance is evaluated and its liquidity is managed in RMB. Moreover, the net asset value per unit at the time of issue or redemption is determined and units quoted on the SEHK are denominated in RMB. Therefore, the RMB is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Sub-Fund's presentation currency is also RMB.

Taxes

In some jurisdictions, dividend income, interest income and capital gains are subject to withholding income tax deducted at the source of the income. The Sub-Fund presents the withholding income tax separately from the gross investment gains in the statement of comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding income taxes, when applicable.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Distributions to unitholders

Distributions are at the discretion of the Sub-Fund. A distribution to the Sub-Fund's unitholders is accounted for as a deduction from net assets attributable to unitholders. A proposed distribution is recognised as a liability in the year in which it is approved by the Manager.

Related parties

A party is considered to be related to the Sub-Fund if:

- (a) the party is a person or a close member of that person's family and that person
- (i) has control or joint control over the Sub-Fund;
 - (ii) has significant influence over the Sub-Fund; or
 - (iii) is a member of the key management personnel of the Sub-Fund or of a parent of the Sub-Fund;

or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Sub-Fund are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Fund or an entity related to the Sub-Fund;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Sub-Fund or to the parent of the Sub-Fund.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND CHANGES IN ACCOUNTING ESTIMATES

The preparation of the Sub-Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Going concern

The Sub-Fund's Manager has made an assessment of the Sub-Fund's ability to continue as a going concern and is satisfied that the Sub-Fund has the intention and resources to continue in business for the next 12 months after the year end date. Furthermore, the Manager is not aware of any material uncertainties that may cast significant doubt upon the Sub-Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Taxation

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

NOTES TO FINANCIAL STATEMENTS

31 December 2015

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND CHANGES IN ACCOUNTING ESTIMATES
(continued)

Taxation (continued)

On 17 November 2014, the Sub-Fund changed its accounting estimates in respect of PRC withholding income tax provision which was announced by the Manager through the Hong Kong Exchanges and Clearing Limited dated 17 November 2014 (the "Announcement") for changes in respect of its WIT policy on behalf of the Sub-Fund. No PRC withholding income tax ("WIT") provision is made by the Sub-Fund on the capital gains derived from trading of A-Shares.

5. TRANSACTIONS WITH THE TRUSTEE AND MANAGER AND THEIR CONNECTED PERSONS

The following is a summary of significant related party transactions entered into during the year between the Sub-Fund, the Trustee and the Manager and their connected persons. Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the year between the Sub-Fund, the Manager and their 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:

Management fees

The Manager is entitled to receive a management fee from the Sub-Fund, at a rate of 0.70% (up to maximum of 1%) per annum with respect to the net asset value of the Sub-Fund calculated and accrued on each dealing day and are paid monthly in arrears. The Manager is responsible for the payment of the investment advisory fees, if any, to the investment adviser, China Asset Management Co., Ltd., out of its fees received from the Sub-Fund.

The management fees incurred during the year ended 31 December 2015 were RMB78,848,129 (2014: RMB59,007,430). As at 31 December 2015, a management fee of RMB6,097,518 (2014: RMB17,678,636) was payable to the Manager.

Custodian, fund administration and trustee fees

Custodian fees and fund administration fees pertain to the amounts charged by the Trustee as safe keeping and fund administration fees. The Trustee will bear the fees of Citibank, N.A. (the "Administrator and Custodian") and Citibank (China) Co., Limited (the "PRC Custodian").

The Trustee is entitled to receive a trustee fee from the Sub-Fund which is accrued on each dealing day and is paid monthly in arrears. The trustee fee is calculated as a percentage per annum of the net asset value of the Sub-Fund at the current rate ranging from 0.07% to 0.10%, subject to a monthly minimum of US\$4,000.

Under the terms of the Trust Deed, the Trustee may, after consulting the Manager, on giving not less than one month's notice to unitholders, increase the rate of the trustee fee payable in respect of the Sub-Fund up to or towards the maximum rate of 1% 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

5. TRANSACTIONS WITH THE TRUSTEE AND MANAGER AND THEIR CONNECTED PERSONS
(continued)

Custodian, fund administration and trustee fees (continued)

The custodian, fund administration and trustee fees for the year ended 31 December 2015 were RMB8,018,249 (2014: RMB5,900,743). As at 31 December 2015, custodian, fund administration and trustee fees of RMB1,623,787 (2014: RMB2,414,361) and transaction fee of RMB936,000 (2014: RMB636,000) were payable to the Trustee.

Brokerage fees

Brokerage fees pertain to the broker commission and administration fee for every transaction made through the brokers at the average market rate of 0.08% based on the transaction value. Brokerage fees through CITIC Securities Co. Ltd, the ultimate holding company of the Manager, amounted to RMB639,964 (2014: nil).

Cash and cash equivalents

Bank balances are maintained with the Administrator and Custodian and the PRC Custodian of the Sub-Fund. Bank balances deposited with the Administrator and Custodian and the PRC Custodian as at 31 December 2015 and 31 December 2014 are summarised below:

	2015 RMB	2014 RMB
Cash at bank	<u>95,925,572</u>	<u>105,751,957</u>

The carrying amount of cash at bank approximates their fair value as at year end.

6. SOFT COMMISSION ARRANGEMENTS

The Manager and its connected persons have not received any soft dollar commissions or entered into any soft dollar arrangements in respect of the management of the Sub-Fund for the years ended 31 December 2015 and 31 December 2014. The Manager and its connected persons have not retained any cash rebates from any broker or dealer.

7. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Fund as the dividend income and realised gain on disposal of investment of the Sub-Fund are excluded from the charge to profits tax under Section 14, Section 26 or Section 26A of the Hong Kong Inland Revenue Ordinance.

Distribution tax

A ten per-cent (10%) PRC withholding income tax has been levied on dividend and interest payments from PRC-listed companies to foreign investors. The Sub-Fund is subject to a distribution tax of ten per-cent (10%). There is no assurance that the rate of the distribution tax will not be changed by the PRC tax authorities in the future. The distribution tax provided for the year ended 31 December 2015 was RMB20,976,655 (2014: RMB22,079,736).

NOTES TO FINANCIAL STATEMENTS

31 December 2015

7. TAXATION (continued)

Withholding income tax provision for capital gains tax

The Ministry of Finance of the PRC (the "MoF"), the State Administration of Taxation of the PRC ("SAT") and the China Securities Regulatory Commission (the "CSRC") issued the "Notice on the issues of temporary exemption from the imposition of corporate income tax arising from gains from the transfer of equity investment assets such as PRC domestic stocks by Qualified Foreign Institutional Investor ("QFII") and RQFII" ("關於 QFII 和 RQFII 取得中國境內的股票等權益性投資資產轉讓所得暫免徵收企業所得稅問題的通知") Caishui [2014] No.79 on 14 November 2014 (the "Notice").

With effect from 17 November 2014, no PRC withholding income tax ("WIT") provision is made by the Sub-Fund on the capital gains derived from trading of A-Shares. The Announcement and the updated addendum to Prospectus dated 16 November 2015 are available on the Manager's website. This policy remains unchanged.

The Notice stated that PRC corporate income tax will be imposed on capital gains derived by QFII and Renminbi Qualified Foreign Institutional Investor ("RQFII") from equity investment assets (including PRC domestic stocks) prior to 17 November 2014 ("capital gains tax") in accordance with laws. The Notice also stated that RQFIIs without an establishment or two places of business in the PRC will be temporarily exempt from corporate income tax on gains derived from the trading of A-Shares effective from 17 November 2014. The Notice stipulated that RQFIIs would be subject to capital gains tax on gains realised before 17 November 2014 in accordance with existing regulations and shall be temporarily exempted from capital gains tax from 17 November 2014.

The Sub-Fund obtained the Hong Kong Tax Resident Certificate ("HKTRC") on 16 October 2015 for each calendar year since its inception date to the calendar year ended 31 December 2014. The HKTRCs have been submitted to the Shanghai Municipal Office of State Administration of Taxation ("Shanghai tax authority") for the purpose of applying tax relief on gross realised capital gains derived from trading of A-Shares which were issued by non-land rich companies under the arrangement between the Mainland China and the Hong Kong Special Administration Region for the Avoidance of Double Taxable and its Prevention of Fiscal Evasion with respect to taxes as income (the "China-HK Arrangements").

At the request of the Shanghai tax authority, the Manager, as the RQFII of the Sub-Fund, fully submitted the requested information and documents on behalf of the Sub-Fund to the PRC tax authorities in October 2015 to report the WIT payable on gross realised capital gains derived from trading of land rich companies A-Shares prior to 17 November 2014 and apply for WIT relief on gross realised capital gains derived from trading of A-Shares which are issued by non-land rich companies under the China-HK Arrangements. The documents submitted include the HKTRCs for the Sub-Fund, as part of the application for the Shanghai tax authority's approval for the eligibility of the Sub-Fund to benefit from the WIT relief under the China-HK Arrangements.

The Shanghai tax authority completed the review on the Sub-Fund's aforesaid tax reporting and tax treaty relief applications as at 11 November 2015 and issued a document to notify the Sub-Fund of the tax treaty relief application result. According to the document, the Shanghai tax authority indicated that it agreed to the Sub-Fund's tax treaty relief application submitted. As such, gross realised capital gains derived by the Sub-Fund from transfer of A-Shares prior to 17 November 2014, except for A-Shares issued by land rich companies, are eligible for WIT relief under the China-HK Arrangements.

The total amount of RMB8,641,076 for the WIT payable made on realised capital gains which are land rich companies between 7 June 2012 and 16 November 2014 by the Sub-Fund has been paid by in full before 31 December 2015.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

7. TAXATION (continued)

Withholding income tax provision for capital gains tax (continued)

The Manager therefore decided to reverse the excess provision amounted to RMB108,201,228 on 16 November 2015.

PRC withholding income tax credit on capital gains, including unrealised gains and realised gains, amounting to RMB108,201,228 (2014: credit of RMB51,490,080), was recognised by the Sub-Fund for the year ended 31 December 2015.

8. AMOUNTS DUE FROM BROKER

Amounts due from broker represent the investments bought but not yet settled as at 31 December 2015 (2014: nil).

9. AMOUNTS DUE TO PARTICIPATING DEALERS

The balance represents the amounts due to participating dealers and is expected to be settled within 90 days.

10. DISTRIBUTION

	Distribution RMB	Distribution per unit RMB
Distribution declared by the Manager on		
- 16 July 2015 (paid on 24 July 2015)	93,510,000	0.30
- 16 July 2014 (paid on 24 July 2014)	108,000,000	0.30

The Manager may in its absolute discretion distribute income to unitholders at such time or times as it may determine in each financial year or determine that no distribution shall be made in any financial year. The amount to be distributed to unitholders, if any, will be derived from the net income of the Sub-Fund.

11. THE REDEEMABLE UNITS

	2015 Number of units	2014 Number of units
Units in issue at the beginning of the year	335,100,000	397,050,000
Issue of units	273,900,000	168,150,000
Redemption of units	<u>(339,750,000)</u>	<u>(230,100,000)</u>
Units in issue at the end of the year	<u>269,250,000</u>	<u>335,100,000</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2015

11. THE REDEEMABLE UNITS (continued)

	At last trade market price RMB	At last trade market price RMB
Dealing net asset value at the end of the year	<u>10,233,734,995</u>	<u>11,838,043,003</u>
Dealing net asset value per unit at the end of the year	<u>38.0083</u>	<u>35.3269</u>

The creation and redemption of units of the Sub-Fund can only be facilitated by or through participating dealers. Investors other than the participating dealers make a request to create or redeem units through a participating dealer, and if the investor is a retail investor, such request must be made through a stockbroker which has opened an account with a participating dealer.

The Trustee shall receive subscription proceeds from the participating dealers for the creation of units and pay redemption proceeds for the redemption of units to the relevant participating dealer in such form and manner as prescribed by the Trust Deed.

Units are denominated in RMB and no fractions of a unit shall be created or issued by the Trustee. Units of the Sub-Fund are offered and issued at their dealing net asset value only in aggregations of a specified number of application units (the "Application Unit"). Units are redeemable only in an Application Unit or multiple thereof at the dealing net asset value. Currently, creation and redemption of units are effected in cash.

A reconciliation of the net assets attributable to unitholders as reported in the statement of financial position to the net assets attributable to unitholders determined for the purposes of processing unit subscriptions and redemptions is provided below:

	2015 Total RMB	2014 Total RMB
Net assets attributable to unitholders (calculated in accordance with published NAV)	10,243,577,105	11,839,565,023
Adjustment for formation cost	(871,664)	(1,251,665)
Adjustment for redemption/ creation	<u>(8,970,446)</u>	<u>(270,355)</u>
Net assets attributable to unitholders (calculated in accordance with financial statements)	<u>10,233,734,995</u>	<u>11,838,043,003</u>
Net assets attributable to unitholders (per unit) (calculated in accordance with published NAV)	<u>38.0449</u>	<u>35.3314</u>
Net assets attributable to unitholders (per unit) (calculated in accordance with financial statements)	<u>38.0083</u>	<u>35.3269</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2015

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 RMB	2014 RMB
Financial assets designated as at fair value through profit or loss:		
Listed equity securities	<u>10,162,244,705</u>	<u>11,900,403,350</u>

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows an analysis of the Sub-Fund's financial assets measured at fair value at 31 December 2015 and 31 December 2014:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<u>2015</u>				
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	<u>9,561,739</u>	<u>278,265</u>	<u>322,241</u>	<u>10,162,245</u>
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<u>2014</u>				
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	<u>11,706,218</u>	<u>156,344</u>	<u>37,841</u>	<u>11,900,403</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2015

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Transfers between Level 1 and Level 2

As at 31 December 2015, the Sub-Fund reclassified nine listed equity securities from Level 1 to Level 2 following the suspension of trading of the investments. Those financial assets are namely (1) Beijing Jingneng Power Co (stock code: 600578), (2) Guangdong Golden Dragon Development Inc (stock code: 000712), (3) Guangzhou Haige Communication Group Company Limited (stock code: 002465), (4) Industrial Securities Co Ltd (stock code: 601377), (5) Luxin Venture Capital Group Co Ltd (stock code: 600783), (6) New Hope Liuhe Co Ltd (stock code: 000876), (7) Ningbo Port Co Ltd (stock code: 601018), (8) Qingdao Haier Co Ltd (stock code: 600690) and (9) Aisino Co.,Ltd (stock code: 600271).

As at 31 December 2014, the Sub-Fund reclassified five listed equity securities from Level 1 to Level 2 following the suspension of trading of the investments. Those financial assets are namely (1) Dongxu Optoelectronic Technology Co., Ltd. (stock code: 000413), (2) Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (stock code: 600332), (3) Inner Mongolia Junzheng Energy & Chemical Industry Co., Ltd (stock code: 601216), (4) China Baoan Group Co., Ltd (stock code: 000009) and (5) Harbin Pharmaceutical Group Co., Ltd (stock code: 600664).

Transfers between levels of fair value hierarchy, are deemed to have occurred at the end of the reporting period.

The following table shows the total amount of all transfers of financial assets at fair value through profit or loss from Level 1 to Level 2 of the fair value hierarchy:

	Transfer from Level 1 to Level 2	
	2015	2014
	RMB	RMB
Financial assets designated as at fair value through profit or loss		
- Listed equity securities	<u>242,631,512</u>	<u>80,541,348</u>

Transfers between Level 1 and Level 3

As at 31 December 2015, the Sub-Fund reclassified five listed equity securities from Level 1 to Level 3 due to suspension of trading. Those financial assets are namely (1) China Vanke Co Ltd (stock code: 000002), (2) DHC Software Co Ltd (stock code: 002065), (3) Leshi Internet Information & Technology Corp Beijing (stock code: 300104), (4) MeiHua Holdings Group Co Ltd (stock code: 600873) and (5) Xiamen C & D Inc (stock code: 600153). The Manager did not expect the trading of such listed equity would resume before the date of authorisation of the Sub-Fund's financial statements for the year ended 31 December 2015.

As at 31 December 2014, the Sub-Fund reclassified two listed equity securities from Level 1 to Level 3 due to suspension of trading. Those financial assets are namely (1) Hubei Energy Group Co Ltd ("Hubei Energy") (stock code: 000883) and (2) Shanghai Chengtuo Holding Co., Ltd. ("Shanghai Chengtuo") (stock code: 600649).

NOTES TO FINANCIAL STATEMENTS

31 December 2015

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The Manager did not expect the trading of such listed equity would resume before the date of authorisation of the Sub-Fund's financial statements for the year ended 31 December 2014.

Transfers between levels of fair value hierarchy, are deemed to have occurred at the end of the reporting period.

The following table shows the total amount of all transfers of financial assets at fair value through profit or loss from Level 1 to Level 3 of the fair value hierarchy:

	Transfer from Level 1 to Level 3	
	2015	2014
	RMB	RMB
Financial assets designated as at fair value through profit or loss		
- Listed equity securities	<u>322,240,759</u>	<u>37,841,200</u>

Transfers between Level 2 and Level 3

As at 31 December 2015, the Sub-Fund reclassified its investment in Shanghai Chengtou from Level 3 to Level 2 due to temporary suspension of trading. The Manager oversaw between the date of suspension of Shanghai Chengtou and resumption subsequent to year end is within a reasonable time with no material gap-down when trading resumed.

As at 31 December 2014, the Sub-Fund reclassified its investment in Hong Yuan Securities Co., Ltd ("Hong Yuan") (stock code: 000562) from Level 3 to Level 2 due to temporary suspension of trading. The Manager oversaw between the date of suspension of Hong Yuan and resumption subsequent to year end is within a reasonable time with no material gap-down when trading resumed.

Transfers between levels of fair value hierarchy, are deemed to have occurred at the end of the reporting period.

The following table shows the total amount of all transfers of financial assets at fair value through profit or loss from Level 3 to Level 2 of the fair value hierarchy:

	Transfer from Level 3 to Level 2	
	2015	2014
	RMB	RMB
Financial assets designated as at fair value through profit or loss		
- Listed equity securities	<u>35,633,050</u>	<u>75,802,718</u>

Valuation techniques

Listed equity securities traded in active market with quoted market prices

When fair values of listed equity securities at the reporting date are based on quoted market prices or binding dealer price quotations, in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy. The Sub-Fund values these investments at last trade prices.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Valuation techniques (continued)

Listed equity securities temporarily suspended on year end date

In the absence of a quoted price in an active market, the Manager applied market approach in which they have used the last trade price before their suspension trading as there has been no expected material gap-down. Adjustments are made to the valuations when necessary to recognise the differences of timing between the date of suspension and resume which is within a reasonable time and the price fluctuation when the investments resume trading subsequent to year end. To the extent that the significant inputs are observable, the Sub-Fund categorises these investments as Level 2.

Listed equity securities suspended on year end date and has not resumed prior to the date of authorisation of the financial statements

The fair value of suspended investments which do not resume trading in a short period of time subsequent to period end, for which there is an absence of quoted prices, the fair value was estimated by the Manager using the Index Return Method and then adjusting the last traded price by applying the index return of the corresponding sector of that suspended investments since the suspension date. Such valuation method is generally accepted in the industry. The model incorporates unobservable inputs which include the relevant industry index. The Sub-Fund classifies the fair value of these investments as Level 3.

Valuation process for Level 3 valuations

The valuation of suspended investment is performed on a quarterly basis by the Operations Team and reviewed by the senior management of the Manager. The latest valuation is compared with the valuations in the preceding quarters. If fair value changes are higher than certain thresholds set, the changes are further considered by the senior management of the Manager. The Manager considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods are applied to support the valuation arising from the method chosen. There were no changes in valuation techniques during the year.

Quantitative information of significant unobservable inputs - Level 3

Description	RMB	Valuation technique	Unobservable input
<u>31 December 2015</u>			
Equity securities			
- Equity investment	322,240,759	Index Return Method	Return on relevant industry index (-12.19% to 5.08%)
<u>31 December 2014</u>			
Equity securities			
- Hubei Energy	20,811,672	P/B ratio	Average industry P/B ratio (0.98 – 3.08) Liquidity discount (15% - 35%)
- Shanghai Chengtou	17,029,528	P/B ratio	Average industry P/B ratio (1.27 – 6.89) Liquidity discount (15% - 35%)

NOTES TO FINANCIAL STATEMENTS

31 December 2015

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Quantitative information of significant unobservable inputs - Level 3 (continued)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2015 and 31 December 2014 are as shown below:

As at 31 December 2015

	Input	Change in return of the relevant industry index	Effect on the fair value of investment RMB	Effect on the net assets attributable to unitholders RMB
Equity securities				
- Equity investment	AMAC Index	5%	16,112,038	16,112,038
	AMAC Index	(5%)	(16,112,038)	(16,112,038)

As at 31 December 2014

	Input	Sensitivity used	Effect on the fair value of investment RMB	Effect on the net assets attributable to unitholders RMB
Equity securities				
- Hubei Energy	Average industry P/B ratio	5%	620,224	620,224
	Average industry P/B ratio	(5%)	(620,224)	(620,224)
	Liquidity discount	10%	(1,653,931)	(1,653,931)
	Liquidity discount	(10%)	1,653,931	1,653,931
- Shanghai Chengtou	Average industry P/B ratio	5%	1,398,862	1,398,862
	Average industry P/B ratio	(5%)	(1,398,862)	(1,398,862)
	Liquidity discount	10%	(3,730,298)	(3,730,298)
	Liquidity discount	(10%)	3,730,298	3,730,298

NOTES TO FINANCIAL STATEMENTS

31 December 2015

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Quantitative information of significant unobservable inputs - Level 3 (continued)

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

	Financial assets designated as at fair value through profit or loss Equity securities	
	2015 RMB	2014 RMB
Opening balance	37,841,200	17,489,160
Transfer into Level 3	322,240,759	37,841,200
Total gains in profit or loss	36,582,861	54,028,644
Purchases	47,591,708	11,514,770
Sales	(72,848,440)	(7,229,856)
Transfer out from Level 3	<u>(49,167,329)</u>	<u>(75,802,718)</u>
Closing balance	<u>322,240,759</u>	<u>37,841,200</u>
Total gains and losses for the year included in net change in unrealised gains/(losses) on financial assets at fair value through profit or loss for the year	<u>125,740,611</u>	<u>14,883,686</u>

14. CASH AND CASH EQUIVALENTS

	2015 RMB	2014 RMB
Cash at bank	<u>95,925,572</u>	<u>105,751,957</u>

The cash at bank held with the Administrator and Custodian and the PRC Custodian, was placed into accounts bearing floating interest.

15. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

According to Chapter 7.1 of the investment limitations and prohibitions of a collective investment scheme, the value of a Sub-Fund's holding of securities issued by any single issuer may not exceed 10% of its total net asset value.

The SFC Code allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net asset value provided that:

- (a) the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the index; and
- (b) the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the index, except where weighting are exceeded as a result of changes in the composition of the index and the excess is only transitional and temporary in nature.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

15. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (continued)

The SFC Code further provides that, if the investment limits stated above are breached, the management company should take as a priority objective all steps as are necessary within a reasonable period of time to remedy the situation, taking due account of the interests of the holders.

The Trust Deed of the Trust also contains provisions mirroring the above provisions of the SFC Code.

The Manager and Trustee have confirmed that the Sub-Fund has complied with this limit during the year.

There were no investment of which A-Shares or basket of A-Shares accounted for more than 10% of the net asset value of the Sub-Fund as at 31 December 2015 and 31 December 2014.

16. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

Risk management

Risk is inherent in the Sub-Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring. The Manager is responsible for identifying and controlling risks. In perspective of risk management, the Sub-Fund's objective is to create and protect value for unitholders.

The Sub-Fund is exposed to market risk (which includes price risk, interest rate risk and currency risk), credit risk and liquidity risk arising from the financial instruments it holds.

(a) Market risk

(i) Equity price risk

Market price risk is the risk that the value of financial instrument will fluctuate as a result of changes in market prices, either caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Fund invested substantially all of its assets in A-Shares of those PRC companies comprising the Index in substantially the same weightings as constituted in CSI 300 Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the Index.

When there are changes in the constituent A-Shares comprised in the Index and/or their respective weightings within the Index, the Manager will rebalance the composition of the relevant investment holdings or the underlying dynamic basket of A-Shares of selected constituent companies of the Index.

As at 31 December 2015 and 31 December 2014, the Sub-Fund's investments were concentrated in the following industries.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

16. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk management (continued)

(a) Market risk (continued)

(i) Equity price risk (continued)

	2015		2014	
	Fair value RMB	% of net asset value	Fair value RMB	% of net asset value
A-Shares holdings				
- by sectors				
Consumer Discretionary	1,128,973,841	11.03%	1,188,569,031	10.04%
Consumer Staples	534,765,290	5.23%	656,704,767	5.55%
Energy	271,120,211	2.65%	421,992,845	3.56%
Financials	4,046,895,188	39.54%	5,282,102,301	44.62%
Health Care	545,880,769	5.33%	587,400,563	4.96%
Industrials	1,678,649,553	16.40%	1,837,456,945	15.52%
Information Technology	828,042,536	8.09%	537,072,198	4.54%
Materials	592,171,958	5.79%	843,800,611	7.13%
Telecommunication				
Services	81,597,495	0.80%	88,267,585	0.75%
Utilities	454,147,864	4.44%	457,036,504	3.86%
	<u>10,162,244,705</u>	<u>99.30%</u>	<u>11,900,403,350</u>	<u>100.53%</u>

Sensitivity analysis in the event of a possible change in the Index by 5% as estimated by the Manager

As at 31 December 2015, if the Index was to increase by 5% (2014: 5%) with all other variables held constant, this would increase the pre-tax profit for the year by approximately RMB508 million (2014: RMB595 million). Conversely, if the Index was to decrease by 5% (2014: 5%), this would decrease the pre-tax profit for the year by an approximately equal amount. The above sensitivity is affected by the tracking difference of the Sub-Fund.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flows will fluctuate due to changes in market interest rates.

The Manager considers that the Sub-Fund is not subject to significant risk due to fluctuations in the prevailing level of market interest rate. As the Sub-Fund has no investments in fixed income assets, the Manager considers that changes in the fair value of its net assets in the event of a change in market interest rates will not be material. Therefore, no sensitivity analysis is presented.

(iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

16. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk management (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

Approximately 100% (2014: 100%) of the Sub-Fund's sales and purchases were denominated in RMB, the Sub-Fund's functional currency. Assets and liabilities held by the Sub-Fund are mainly denominated in RMB. Therefore, the Manager considers the Sub-Fund is not exposed to significant currency risk and no sensitivity analysis is presented.

(b) Credit and counterparty risk

Credit risk is the risk of loss to the Sub-Fund that may arise on outstanding financial instruments should a counterparty default on its obligations. The Sub-Fund minimises exposure to credit risk by only dealing with creditworthy counterparties.

All transactions by the Sub-Fund in securities are settled/paid for upon delivery using approved broker. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of bank deposits and assets held with the Custodian. The tables below summarise the Sub-Fund's assets placed with banks and the PRC Custodian and their related credit ratings from Standard & Poor's ("S&P"):

31 December 2015

	RMB	Credit rating	Source of credit rating
<u>Banks</u>			
Citibank, N.A.	9,968,607	A	S&P
Citibank (China) Co., Limited	87,288,672	A	S&P
<u>PRC Custodian</u>			
Citibank (China) Co., Limited	10,162,244,705	A	S&P

31 December 2014

	RMB	Credit rating	Source of credit rating
<u>Banks</u>			
Citibank, N.A.	9,999,878	A	S&P
Citibank (China) Co., Limited	97,947,155	A	S&P
<u>PRC Custodian</u>			
Citibank (China) Co., Limited	11,900,403,350	A	S&P

The Sub-Fund's maximum exposure to credit risk at the end of the reporting period is the carrying amount of total assets as shown on the statement of financial position.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

16. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash or resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

As at 31 December 2015 and 31 December 2014, the Sub-Fund held liquid assets, comprising financial assets at fair value through profit or loss, cash and cash equivalents, amounts due from broker and other receivable that are expected to readily generate cash inflows for managing liquidity risk.

The tables below summarise the maturity profile of Sub-Fund's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

At 31 December 2015

	Due on demand RMB'000	Due within 1 month RMB'000	1 month to 1 year RMB'000	Total RMB'000
<u>Financial assets</u>				
Financial assets at fair value through profit or loss	–	9,803,077	359,168	10,162,245
Other receivable	–	1,332	–	1,332
Amounts due from broker	–	1,148	–	1,148
Cash and cash equivalents	95,925	–	–	95,925
Total financial assets	<u>95,925</u>	<u>9,805,557</u>	<u>359,168</u>	<u>10,260,650</u>
<u>Financial liabilities</u>				
Management fee payable	–	6,098	–	6,098
Custodian, fund administration and trustee fees payable	–	2,560	–	2,560
Amounts due to participating dealers	–	2,696	13,751	16,447
Financial liabilities included in other payables	–	–	1,811	1,811
Total financial liabilities	<u>–</u>	<u>11,354</u>	<u>15,562</u>	<u>26,916</u>

At 31 December 2014

	Due on demand RMB'000	Due within 1 month RMB'000	1 month to 1 year RMB'000	Total RMB'000
<u>Financial assets</u>				
Financial assets at fair value through profit or loss	–	11,862,562	37,841	11,900,403
Other receivable	–	2,195	–	2,195
Cash and cash equivalents	105,752	–	–	105,752
Total financial assets	<u>105,752</u>	<u>11,864,757</u>	<u>37,841</u>	<u>12,008,350</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2015

16. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk management (continued)

(c) Liquidity risk (continued)
At 31 December 2014

	Due on demand RMB'000	Due within 1 month RMB'000	1 month to 1 year RMB'000	Total RMB'000
<u>Financial liabilities</u>				
Management fee payable	–	17,679	–	17,679
Custodian, fund administration and trustee fees payable	–	3,050	–	3,050
Amounts due to participating dealers	31,367	–	–	31,367
Financial liabilities included in other payables	–	–	1,369	1,369
Total financial liabilities	<u>31,367</u>	<u>20,729</u>	<u>1,369</u>	<u>53,465</u>

Capital management

The Sub-Fund's capital is represented by its net assets attributable to unitholders. The Sub-Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

The Manager manages the capital of the Sub-Fund in accordance with the Sub-Fund's investment objectives and policies stated in the prospectus.

17. 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 each sub-fund has a single operating segment which is investing in securities. The objectives of the Sub-Fund are to track the performance of its respective index and invest in substantially all the index constituents with security weight and industry weight that are closely aligned to the characteristics of the tracked index.

The internal financial information used by the Manager for the Sub-Fund's assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. All of the Sub-Fund's income is from investments in securities which constitute its tracked index. The Sub-Fund's investments are mainly domiciled in the PRC.

The Sub-Fund has no assets classified as non-current assets. The Sub-Fund has portfolios that closely correspond to the security weight and industry weight of its tracked index.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

18. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, there were subscriptions of 29,850,000 units and redemptions of 21,000,000 units.

19. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 22 April 2016.

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO

31 December 2015

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
China (100%)			
Consumer Discretionary			
Beijing Enlight Media Co Ltd	453,745	13,743,936	0.13%
Beiqi Foton Motor Co Ltd	1,720,360	10,889,879	0.11%
BYD Co Ltd	645,991	41,601,820	0.41%
China International Travel Service Co Ltd	403,467	23,929,628	0.23%
China South Publishing & Media Group Co Ltd	740,442	17,696,564	0.17%
Chinese Universe Publishing And Media Co Ltd	567,723	13,335,813	0.13%
Chongqing Changan Automobile Co Ltd	2,333,301	39,596,118	0.39%
FAW Car Co Ltd	842,015	13,783,786	0.13%
Fuyao Glass Industry Group Co Ltd	1,445,024	21,949,915	0.21%
Great Wall Motor Co Ltd	1,243,241	14,968,622	0.15%
Gree Electric Appliances Inc of Zhuhai	4,972,453	111,134,325	1.09%
Guangdong Alpha Animation and Culture Co Ltd	521,687	26,976,435	0.26%
Guangzhou Automobile Group Co Ltd	567,901	12,817,526	0.12%
Heilan Home Co Ltd	1,393,570	19,454,237	0.19%
Hisense Electric Co Ltd	811,807	15,968,244	0.16%
Huawen Media Investment Corp	1,691,457	25,422,599	0.25%
Huayi Brothers Media Corp	1,005,404	41,704,158	0.41%
HUAYU Automotive Systems Co Ltd	1,067,471	17,997,561	0.18%
Hunan TV & Broadcast Intermediary Co Ltd	1,169,982	31,074,722	0.30%
Jiangsu Broadcasting Cable Information Network Corp Ltd	615,312	12,650,815	0.12%
Jiangsu Phoenix Publishing & Media Corp Ltd	785,984	12,520,725	0.12%
Liaoning Cheng Da Co Ltd	1,295,705	29,282,933	0.29%
Midea Group Co Ltd	2,204,437	72,349,622	0.71%
Pang Da Automobile Trade Co Ltd	3,340,848	13,096,124	0.13%
Qingdao Haier Co Ltd	3,839,265	38,085,509	0.37%
SAIC Motor Corp Ltd	3,419,044	72,552,114	0.71%
Shanghai Oriental Pearl Media Co Ltd	1,900,517	72,010,589	0.70%
Shenzhen Overseas Chinese Town Co Ltd	3,794,947	33,395,534	0.33%
Sichuan Changhong Electric Co Ltd	3,808,177	22,049,345	0.21%
Songcheng Performance Development Co Ltd	591,870	16,749,921	0.16%
Suning Commerce Group Co Ltd	4,576,579	61,554,988	0.60%
TCL Corporation	8,823,553	37,588,336	0.37%
Wanda Cinema Line Co Ltd	127,375	15,285,000	0.15%
Wanxiang Qianchao Co Ltd	1,186,751	26,856,175	0.26%
Wasu Media Holding Co Ltd	133,351	4,373,913	0.04%
Weifu High-Technology Group Co Ltd	519,440	12,861,334	0.13%
Youngor Group Co Ltd	1,609,252	26,198,623	0.26%
Zhejiang Daily Media Group Co Ltd	591,867	11,144,856	0.11%
Zhejiang Huace Film & TV Co Ltd	449,611	13,393,912	0.13%
Zhejiang Yasha Decoration Co Ltd	692,935	10,927,585	0.11%

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2015

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
(continued)			
China (100%) (continued)			
Consumer Staples			
Beijing Dabeinong Technology Group Co Ltd	1,697,702	20,728,941	0.20%
Beijing Yanjing Brewery Co Ltd	1,453,507	11,962,363	0.12%
By-health Co Ltd	300,393	11,565,131	0.11%
Foshan Haitian Flavouring & Food Co Ltd	279,058	9,864,700	0.10%
Henan Shuanghui Investment & Development Co Ltd	1,025,130	20,922,903	0.20%
Inner Mongolia Yili Industrial Group Co Ltd	6,265,592	102,943,677	1.01%
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	622,151	42,642,230	0.42%
Jointown Pharmaceutical Group Co Ltd	342,637	6,715,685	0.07%
Kweichow Moutai Co Ltd	519,233	113,291,448	1.11%
Luzhou Laojiao Co Ltd	722,720	19,600,166	0.19%
Meihua Holdings Group Co Ltd	1,903,306	17,396,217	0.17%
New Hope Liuhe Co Ltd	1,109,722	21,073,621	0.21%
Shanghai Bailian Group Co Ltd	798,770	14,274,020	0.14%
Shanghai Jahwa United Co Ltd	556,870	21,990,796	0.21%
Shenzhen Agricultural Products Co Ltd	876,058	15,497,466	0.15%
Tsingtao Brewery Co Ltd	289,661	9,616,745	0.09%
Wuliangye Yibin Co Ltd	1,959,158	53,445,830	0.52%
Yonghui Superstores Co Ltd	2,102,312	21,233,351	0.21%
Energy			
China Coal Energy Co Ltd	1,897,182	11,477,951	0.11%
China Merchants Energy Shipping Co Ltd	2,191,106	15,534,941	0.15%
China Oilfield Services Ltd	613,180	9,516,554	0.09%
China Petroleum & Chemical Corp	10,851,660	53,824,234	0.53%
China Shenhua Energy Co Ltd	2,044,109	30,600,312	0.30%
Guanghui Energy Co Ltd	3,241,401	21,620,145	0.21%
Jizhong Energy Resources Co Ltd	1,090,492	5,496,080	0.05%
Offshore Oil Engineering Co Ltd	2,280,563	20,411,039	0.20%
PetroChina Co Ltd	5,014,038	41,867,217	0.41%
Shaanxi Coal Industry Co Ltd	2,066,577	10,043,564	0.10%
Shanxi Lu'an Environmental Energy Development Co Ltd	1,240,970	7,967,027	0.08%
Shanxi Xishan Coal & Electricity Power Co Ltd	1,624,861	9,879,155	0.10%
Wintime Energy Co Ltd	3,468,689	16,545,646	0.16%
Yantai Jereh Oilfield Services Group Co Ltd	493,860	12,534,167	0.12%
Yanzhou Coal Mining Co Ltd	402,347	3,802,179	0.04%
Financials			
Agricultural Bank of China Ltd	39,502,486	127,593,030	1.25%
Avic Capital Co Ltd	2,223,576	34,643,314	0.34%

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2015

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
(continued)			
China (100%) (continued)			
Financials (continued)			
Bank of Beijing Co Ltd	10,471,959	110,269,728	1.08%
Bank of China Ltd	21,767,291	87,286,837	0.85%
Bank of Communications Co Ltd	24,324,658	156,650,797	1.53%
Bank of Nanjing Co Ltd	2,085,888	36,920,218	0.36%
Bank of Ningbo Co Ltd	2,010,904	31,189,121	0.30%
Bohai Leasing Co Ltd	1,829,797	16,504,769	0.16%
Changjiang Securities Co Ltd	3,432,971	42,637,500	0.42%
China CITIC Bank Corp Ltd	3,293,562	23,779,518	0.23%
China Construction Bank Corp	6,944,972	40,141,938	0.39%
China Everbright Bank Co Ltd	16,459,064	69,786,431	0.68%
China Fortune Land Development Co Ltd	1,093,233	33,584,118	0.33%
China Life Insurance Co Ltd	1,722,073	48,751,887	0.48%
China Merchants Bank Co Ltd	10,655,459	191,691,707	1.87%
China Merchants Securities Co Ltd	2,960,376	64,240,159	0.63%
China Merchants Shekou Industrial Zone Co Ltd	1,776,974	37,067,678	0.36%
China Minsheng Banking Corp Ltd	30,526,318	294,273,705	2.88%
China Pacific Insurance Group Co Ltd	3,246,332	93,689,141	0.92%
China Vanke Co Ltd	7,938,807	193,945,055	1.89%
CITIC Securities Co Ltd	8,131,857	157,351,433	1.54%
Dongxing Securities Co Ltd	371,700	11,139,849	0.11%
Everbright Securities Co Ltd	1,209,951	27,756,276	0.27%
Financial Street Holdings Co Ltd	1,546,345	17,829,358	0.17%
Founder Securities Co Ltd	4,247,814	40,779,014	0.40%
Gemdale Corp	2,322,355	32,048,499	0.31%
GF Securities Co Ltd	3,059,357	59,504,494	0.58%
Guosen Securities Co Ltd	1,268,567	25,054,198	0.25%
Guotai Junan Securities Co Ltd	1,576,954	37,689,201	0.37%
Guoyuan Securities Co Ltd	1,219,820	27,555,734	0.27%
Haitong Securities Co Ltd	8,358,478	132,231,122	1.29%
Huatai Securities Co Ltd	3,372,555	66,506,785	0.65%
Huaxia Bank Co Ltd	5,522,997	67,049,184	0.65%
Industrial & Commercial Bank of China Ltd	22,281,203	102,047,910	1.00%
Industrial Bank Co Ltd	13,778,141	235,192,867	2.30%
Industrial Securities Co Ltd	4,286,523	47,151,753	0.46%
New China Life Insurance Co Ltd	647,508	33,806,393	0.33%
Northeast Securities Co Ltd	1,211,940	21,208,950	0.21%
Oceanwide Holdings Co Ltd	1,413,896	17,744,395	0.17%
Orient Securities Co Ltd	1,089,491	25,374,245	0.25%
Pacific Securities Co Ltd	3,601,580	35,367,516	0.35%
Ping An Bank Co Ltd	5,915,617	70,928,248	0.69%

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2015

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
(continued)			
China (100%) (continued)			
Financials (continued)			
Ping An Insurance Group Co of China Ltd	11,188,579	402,788,844	3.94%
Poly Real Estate Group Co Ltd	6,666,354	70,930,007	0.69%
RiseSun Real Estate Development Co Ltd	1,582,210	15,078,461	0.15%
Sealand Securities Co Ltd	1,452,640	18,666,424	0.18%
Shanghai Lujiazui Finance & Trade Zone Development Co Ltd	420,263	21,071,987	0.21%
Shanghai Pudong Development Bank Co Ltd	9,636,099	176,051,529	1.72%
Shanghai SMI Holding Co Ltd	1,538,560	35,633,050	0.35%
Shanghai Zhangjiang High-Tech Park Development Co Ltd	800,544	23,079,683	0.23%
Shanxi Securities Co Ltd	1,304,612	19,882,287	0.19%
Shenwan Hongyuan Group Co Ltd	4,602,827	49,296,277	0.48%
Sinolink Securities Co Ltd	1,874,942	30,224,065	0.29%
SooChow Securities Co Ltd	2,228,360	35,809,745	0.35%
Southwest Securities Co Ltd	2,913,917	28,847,778	0.28%
Western Securities Co Ltd	1,153,654	37,966,753	0.37%
Xinhu Zhongbao Co Ltd	2,822,116	13,461,493	0.13%
Zhejiang China Commodities City Group Co Ltd	2,817,229	25,890,334	0.25%
Zhongtian Urban Development Group Co Ltd	1,782,061	16,252,396	0.16%
Health Care			
Aier Eye Hospital Group Co Ltd	404,826	12,784,405	0.12%
Beijing SL Pharmaceutical Co Ltd	423,877	14,199,880	0.14%
Beijing Tongrentang Co Ltd	707,899	31,579,374	0.31%
China Resources Sanjiu Medical & Pharmaceutical Co Ltd	404,725	11,048,993	0.11%
Dong-E-E-Jiao Co Ltd	540,475	28,266,843	0.28%
Guangxi Wuzhou Zhongheng Group Co Ltd	2,868,897	21,057,704	0.21%
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	552,010	16,709,343	0.16%
Huadong Medicine Co Ltd	223,234	18,296,259	0.18%
Hualan Biological Engineering Inc	299,863	13,193,972	0.13%
Jiangsu Hengrui Medicine Co Ltd	1,212,700	59,567,824	0.58%
Jilin Aodong Pharmaceutical Group Co Ltd	740,049	22,904,517	0.22%
Kangmei Pharmaceutical Co Ltd	3,182,528	53,943,850	0.53%
Lepu Medical Technology Beijing Co Ltd	502,434	19,393,952	0.19%
Searainbow Holding Corp	741,357	24,828,046	0.24%
Shanghai Fosun Pharmaceutical Group Co Ltd	1,182,927	27,786,955	0.27%
Shanghai Pharmaceuticals Holding Co Ltd	1,190,491	23,702,676	0.23%
Shanghai RAAS Blood Products Co Ltd	570,095	22,672,678	0.22%
Shenzhen Hepalink Pharmaceutical Co Ltd	246,282	8,710,994	0.08%
Shenzhen Salubris Pharmaceuticals Co Ltd	324,660	9,778,759	0.10%
Sichuan Kelun Pharmaceutical Co Ltd	890,728	16,567,541	0.16%

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2015

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
(continued)			
China (100%) (continued)			
Health Care (continued)			
Tasly Pharmaceutical Group Co Ltd	670,132	27,421,801	0.27%
Tonghua Dongbao Pharmaceutical Co Ltd	823,848	22,383,950	0.22%
Yunnan Baiyao Group Co Ltd	538,150	39,080,453	0.38%
Industrials			
Air China Ltd	2,638,299	22,636,605	0.22%
AVIC Aero-Engine Controls Co Ltd	472,609	14,943,897	0.15%
AVIC Aircraft Co Ltd	1,141,433	28,273,295	0.28%
Avic Aviation Engine Corp PLC	806,441	36,314,038	0.35%
AVIC Helicopter Co Ltd	242,656	12,795,251	0.13%
Beijing Originwater Technology Co Ltd	634,911	32,869,342	0.32%
BlueFocus Communication Group Co Ltd	1,599,524	23,560,988	0.23%
China Avionics Systems Co Ltd	543,873	13,395,592	0.13%
China Baoan Group Co Ltd	1,317,005	23,653,410	0.23%
China Communications Construction Co Ltd	1,580,767	21,198,085	0.21%
China COSCO Holdings Co Ltd	2,779,300	25,069,286	0.24%
China CSSC Holdings Ltd	712,772	24,825,849	0.24%
China Eastern Airlines Corp Ltd	3,502,836	26,656,582	0.26%
China First Heavy Industries	2,701,237	21,528,859	0.21%
China Gezhouba Group Co Ltd	2,852,179	22,446,649	0.22%
China International Marine Containers Group Co Ltd	764,249	16,049,229	0.16%
China National Chemical Engineering Co Ltd	2,037,986	14,041,723	0.14%
China Railway Construction Corp Ltd	3,568,516	48,103,596	0.47%
China Railway Group Ltd	5,774,254	63,054,854	0.62%
China Shipbuilding Industry Co Ltd	9,481,451	89,125,639	0.87%
China Shipping Container Lines Co Ltd	3,206,692	22,575,112	0.22%
China Southern Airlines Co Ltd	3,623,162	31,050,498	0.30%
China Spacesat Co Ltd	610,430	25,967,692	0.25%
China State Construction Engineering Corp Ltd	15,495,060	98,238,680	0.96%
China XD Electric Co Ltd	2,117,598	14,420,842	0.14%
CITIC Heavy Industries Co Ltd	1,276,910	8,746,834	0.08%
CRRC Corp Ltd	9,471,343	121,706,758	1.19%
Daqin Railway Co Ltd	6,146,823	52,985,614	0.52%
Dongfang Electric Corp Ltd	1,240,896	16,913,412	0.16%
Guangshen Railway Co Ltd	3,508,788	17,579,028	0.17%
Hainan Airlines Co Ltd	6,105,357	23,749,839	0.23%
Han's Laser Technology Industry Group Co Ltd	871,746	22,569,504	0.22%
Jihua Group Corp Ltd	1,594,239	18,285,921	0.18%

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2015

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
(continued)			
China (100%) (continued)			
Industrials (continued)			
Juneyao Airlines Co Ltd	141,012	4,818,380	0.05%
Luxshare Precision Industry Co Ltd	515,041	16,455,560	0.16%
Metallurgical Corp of China Ltd	5,028,629	30,272,347	0.30%
NARI Technology Co Ltd	1,504,203	25,090,106	0.24%
Ningbo Port Co Ltd	4,139,645	33,779,503	0.33%
Power Construction Corp of China Ltd	4,268,733	34,277,926	0.34%
Sany Heavy Industry Co Ltd	3,935,335	25,894,504	0.25%
Shandong Hi-speed Co Ltd	696,758	4,953,949	0.05%
Shanghai Construction Group Co Ltd	1,839,031	13,020,339	0.13%
Shanghai Electric Group Co Ltd	3,052,193	35,222,307	0.34%
Shanghai International Airport Co Ltd	994,490	29,357,345	0.29%
Shanghai International Port Group Co Ltd	3,353,761	21,732,371	0.21%
Shanghai Tunnel Engineering Co Ltd	1,624,800	17,287,872	0.17%
Shanghai Waigaoqiao Free Trade Zone Group Co Ltd	385,377	10,123,854	0.10%
Shenzhen Inovance Technology Co Ltd	489,825	23,119,740	0.23%
Siasun Robot & Automation Co Ltd	513,154	35,151,049	0.34%
Spring Airlines Co Ltd	246,944	15,063,584	0.15%
Suzhou Gold Mantis Construction Decoration Co Ltd	910,892	17,015,463	0.17%
TBEA Co Ltd	2,680,969	31,555,005	0.31%
Tianjin Port Co Ltd	862,620	9,721,727	0.09%
Weichai Power Co Ltd	2,504,934	24,197,662	0.24%
XCMG Construction Machinery Co Ltd	4,397,339	18,688,691	0.18%
Xiamen C & D Inc	1,902,821	32,937,831	0.32%
Xinjiang Goldwind Science & Technology Co Ltd	1,614,709	36,799,218	0.36%
XJ Electric Co Ltd	623,950	12,123,349	0.12%
Yingkou Port Liability Co Ltd	2,009,700	9,546,075	0.09%
Zhengzhou Yutong Bus Co Ltd	1,371,506	30,845,170	0.30%
Zoomlion Heavy Industry Science and Technology Co Ltd	4,535,724	24,266,123	0.24%
Information Technology			
Aisino Co.,Ltd	660,472	36,926,990	0.36%
Beijing Shiji Information Technology Co Ltd	128,640	19,424,640	0.19%
Beijing Ultrapower Software Co Ltd	1,235,205	16,181,186	0.16%
Beijing Xinwei Telecom Technology Group Co Ltd	1,210,000	32,367,500	0.32%
BOE Technology Group Co Ltd	24,553,761	72,924,670	0.71%
DHC Software Co Ltd	798,552	20,043,655	0.20%
Dongxu Optoelectronic Technology Co Ltd	1,748,916	15,880,157	0.14%
East Money Information Co Ltd	1,227,406	63,861,934	0.62%
Glodon Software Co Ltd	701,295	12,749,543	0.12%

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2015

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
(continued)			
China (100%) (continued)			
Information Technology (continued)			
GoerTek Inc	946,443	32,746,928	0.32%
Guangzhou Haige Communications Group Inc Co	1,766,550	29,483,720	0.29%
Hangzhou Hikvision Digital Technology Co Ltd	1,260,589	43,351,656	0.42%
Hundsun Technologies Inc	510,249	31,109,881	0.30%
Iflytek Co Ltd	928,820	34,412,781	0.34%
Leshi Internet Information & Technology Corp Beijing	985,000	57,918,000	0.57%
Neusoft Corp	913,346	28,359,393	0.28%
Ourpalm Co Ltd	1,529,650	21,415,100	0.21%
People.cn Co Ltd	572,422	13,056,946	0.13%
Sanan Optoelectronics Co Ltd	1,479,760	35,928,573	0.35%
Shanghai 2345 Network Holding Group Co Ltd	269,210	9,960,770	0.10%
Shenzhen O-film Tech Co Ltd	746,824	23,166,480	0.23%
Tianjin Zhonghuan Semiconductor Co Ltd	1,420,619	17,359,964	0.17%
Tsinghua Tongfang Co Ltd	1,837,384	33,219,903	0.32%
Universal Scientific Industrial Shanghai Co Ltd	334,120	4,831,375	0.05%
Wangsu Science & Technology Co Ltd	504,940	30,291,351	0.30%
Yonyou Network Technology Co Ltd	602,263	19,157,986	0.19%
Zhejiang Dahua Technology Co Ltd	718,008	26,494,495	0.26%
ZTE Corp	2,437,840	45,416,959	0.44%
Materials			
Aluminum Corp of China Ltd	5,663,109	28,145,652	0.28%
Angang Steel Co Ltd	1,915,693	9,137,856	0.09%
Anhui Conch Cement Co Ltd	2,063,040	35,277,984	0.34%
Baoshan Iron & Steel Co Ltd	5,106,403	28,493,729	0.28%
BBMG Corp	1,292,815	12,113,677	0.12%
China Hainan Rubber Industry Group Co Ltd	1,223,970	9,253,213	0.09%
China Minmetals Rare Earth Co Ltd	707,523	14,645,726	0.14%
China Molybdenum Co Ltd	2,686,135	11,980,162	0.12%
China Northern Rare Earth Group High-Tech Co Ltd	2,253,595	31,595,402	0.31%
Hainan Mining Co Ltd	213,700	3,011,033	0.03%
Hebei Iron & Steel Co Ltd	4,380,457	14,586,922	0.14%
Inner Mongolia BaoTou Steel Union Co Ltd	10,086,752	36,413,175	0.36%
Inner Mongolia Junzheng Energy & Chemical Industry Group Co Ltd	1,140,988	13,064,313	0.13%
Jiangsu Kangde Xin Composite Material Co Ltd	1,490,279	56,779,630	0.55%
Jiangxi Copper Co Ltd	860,200	13,539,548	0.13%
Jinduicheng Molybdenum Co Ltd	1,001,803	8,294,929	0.08%
Kingenta Ecological Engineering Group Co Ltd	645,910	13,137,809	0.13%

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2015

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
(continued)			
China (100%) (continued)			
Materials (continued)			
Luxin Venture Capital Group Co Ltd	308,506	12,053,329	0.12%
Pangang Group Vanadium Titanium & Resources Co Ltd	4,440,566	16,296,877	0.16%
Qinghai Salt Lake Industry Co Ltd	657,792	16,892,099	0.17%
Shandong Gold Mining Co Ltd	734,982	15,434,622	0.15%
Shanxi Taigang Stainless Steel Co Ltd	2,347,454	9,624,561	0.09%
Shenzhen Zhongjin Lingnan Nonfemet Co Ltd	1,369,618	19,215,740	0.19%
Sinopec Shanghai Petrochemical Co Ltd	2,263,214	14,665,627	0.14%
Tongling Nonferrous Metals Group Co Ltd	3,957,087	14,166,371	0.14%
Wanhua Chemical Group Co Ltd	1,114,717	19,897,698	0.19%
Wuhan Iron & Steel Co Ltd	4,172,380	14,478,159	0.14%
Xiamen Tungsten Co Ltd	447,271	8,413,167	0.08%
Xinxing Ductile Iron Pipes Co Ltd	2,255,671	14,639,305	0.14%
Zhejiang Longsheng Group Co Ltd	2,353,841	27,398,709	0.27%
Zhongjin Gold Corp Ltd	1,518,396	15,077,672	0.15%
Zijin Mining Group Co Ltd	9,786,154	34,447,262	0.34%
Telecommunication Services			
China United Network Communications Ltd	8,759,114	54,131,324	0.53%
Dr Peng Telecom & Media Group Co Ltd	1,157,933	27,466,171	0.27%
Utilities			
Beijing Capital Co Ltd	990,917	10,097,444	0.10%
Beijing Jingneng Power Co Ltd	1,768,419	10,734,303	0.10%
CECEP Wind-Power Corp	199,700	3,151,266	0.03%
Chengdu Xingrong Environment Co Ltd	1,854,858	13,206,589	0.13%
China National Nuclear Power Co Ltd	4,819,302	45,976,141	0.45%
China Yangtze Power Co Ltd	5,114,290	69,349,772	0.68%
Chongqing Water Group Co Ltd	589,778	5,502,629	0.05%
Datang International Power Generation Co Ltd	3,090,925	15,887,355	0.15%
GD Power Development Co Ltd	10,137,685	39,841,102	0.39%
Guangdong Electric Power Development Co Ltd	919,054	6,755,047	0.07%
Guangdong Golden Dragon Development Inc	458,200	13,342,784	0.13%
Huadian Power International Corp Ltd	2,519,560	17,133,008	0.17%
Huaneng Power International Inc	4,340,522	37,892,757	0.37%
Hubei Energy Group Co Ltd	2,204,280	13,534,279	0.13%
Inner Mongolia MengDian HuaNeng Thermal Power Corp Ltd	3,001,918	13,418,573	0.13%
SDIC Power Holdings Co Ltd	3,509,809	29,306,905	0.29%
Shanghai Electric Power Co Ltd	880,890	12,966,701	0.13%

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2015

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%) (continued)</u>			
China (100%) (continued)			
Utilities (continued)			
Shenergy Co Ltd	2,346,394	17,715,275	0.17%
Shenzhen Energy Group Co Ltd	1,224,685	12,014,160	0.12%
Sichuan Chuantou Energy Co Ltd	2,274,248	24,470,908	0.24%
Tus-Sound Environmental Resources Co Ltd	525,303	20,812,505	0.20%
Zhejiang Zheneng Electric Power Co Ltd	2,808,860	21,038,361	0.21%
TOTAL INVESTMENTS, AT FAIR VALUE		<u>10,162,244,705</u>	<u>99.30%</u>
TOTAL INVESTMENTS, AT COST		<u>9,015,979,012</u>	

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO

Year ended 31 December 2015

INVESTMENTS	Holdings as at 1 January 2015	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2015
<u>Financial assets at fair value through profit or loss</u>					
Listed securities					
Agricultural Bank of China Ltd	36,968,318	39,659,900	–	37,125,732	39,502,486
Aier Eye Hospital Group Co Ltd	368,242	358,700	145,562	467,678	404,826
Air China Ltd	2,419,419	3,253,625	–	3,034,745	2,638,299
Aisino Co.,Ltd	791,048	497,947	–	628,523	660,472
Aluminum Corp of China Ltd	5,449,409	5,836,100	–	5,622,400	5,663,109
Angang Steel Co Ltd	2,614,230	1,928,600	–	2,627,137	1,915,693
Anhui Conch Cement Co Ltd	2,844,725	2,146,315	–	2,928,000	2,063,040
AVIC Aero-Engine Controls Co Ltd	–	1,016,925	–	544,316	472,609
AVIC Aircraft Co Ltd	1,890,903	1,450,960	–	2,200,430	1,141,433
Avic Aviation Engine Corp PLC	830,250	761,644	–	785,453	806,441
Avic Capital Co Ltd	2,302,502	2,821,700	–	2,900,626	2,223,576
AVIC Helicopter Co Ltd	252,125	217,331	–	226,800	242,656
Bank of Beijing Co Ltd	8,777,097	10,022,414	2,035,837	10,363,389	10,471,959
Bank of China Ltd	9,585,312	43,764,832	–	31,582,853	21,767,291
Bank of Communications Co Ltd	21,877,130	26,867,428	–	24,419,900	24,324,658
Bank of Nanjing Co Ltd	2,536,302	2,374,835	–	2,825,249	2,085,888
Bank of Ningbo Co Ltd	1,390,020	2,261,950	401,834	2,042,900	2,010,904
Baoshan Iron & Steel Co Ltd	7,021,849	5,279,873	–	7,195,319	5,106,403
BBMG Corp	1,542,661	1,294,800	–	1,544,646	1,292,815
Beijing Capital Co Ltd	1,569,182	1,018,880	–	1,597,145	990,917
Beijing Dabeinong Technology Group Co Ltd	1,143,415	1,814,630	445,457	1,705,800	1,697,702
Beijing Enlight Media Co Ltd	578,100	494,857	99,320	718,532	453,745
Beijing Jingneng Power Co Ltd	1,967,618	1,450,500	–	1,649,699	1,768,419
Beijing Orient Landscape Co Ltd	571,604	33,500	–	605,104	–
Beijing Originwater Technology Co Ltd	761,503	626,848	–	753,440	634,911
Beijing Shiji Information Technology Co Ltd	175,430	188,215	–	235,005	128,640
Beijing SL Pharmaceutical Co Ltd	389,095	365,200	185,381	515,799	423,877
Beijing Tongrentang Co Ltd	934,670	730,379	–	957,150	707,899
Beijing Ultrapower Software Co Ltd	–	2,254,105	–	1,018,900	1,235,205
Beijing Xinwei Telecom Technology Group Co Ltd	197,059	1,241,041	–	228,100	1,210,000
Beijing Yanjing Brewery Co Ltd	2,003,084	1,476,102	–	2,025,679	1,453,507
Beijing Zhong Ke San Huan High-Tech Co Ltd	1,215,449	904,487	–	2,119,936	–
Beingmate Baby & Child Co., Ltd	873,182	565,600	–	1,438,782	–
Beiqi Foton Motor Co Ltd	2,408,255	1,795,600	–	2,483,495	1,720,360
BlueFocus Communication Group Co Ltd	821,864	1,237,400	662,960	1,122,700	1,599,524
BOE Technology Group Co Ltd	14,478,046	24,613,300	–	14,537,585	24,553,761

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2015

INVESTMENTS (continued)	Holdings as at 1 January 2015	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2015
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed securities (continued)					
Bohai Leasing Co Ltd	–	1,829,797	–	–	1,829,797
Bright Dairy & Food Co Ltd	870,505	650,035	–	1,520,540	–
Byd Co Ltd	664,834	664,057	–	682,900	645,991
By-health Co Ltd	371,100	395,900	–	466,607	300,393
CECEP Wind-Power Corp	–	199,700	–	–	199,700
Changjiang Securities Co Ltd	4,721,733	3,496,716	–	4,785,478	3,432,971
Chengdu B-Ray Media Co Ltd	931,221	91,600	–	1,022,821	–
Chengdu Xingrong Environment Co Ltd	2,542,752	1,895,480	–	2,583,374	1,854,858
China Avionics Systems Co Ltd	751,846	548,900	–	756,873	543,873
China Baoan Group Co Ltd	2,144,046	1,260,350	–	2,087,391	1,317,005
China CAMC Engineering Co Ltd	441,876	410,400	–	852,276	–
China CITIC Bank Corp Ltd	4,229,496	3,427,879	–	4,363,813	3,293,562
China CNR Co Ltd	6,705,931	192,500	(4,315,931)	2,582,500	–
China Coal Energy Co Ltd	2,616,518	1,982,143	–	2,701,479	1,897,182
China Communications Construction Co Ltd	3,336,464	1,719,371	–	3,475,068	1,580,767
China Construction Bank Corp	13,658,527	10,228,656	–	16,942,211	6,944,972
China COSCO Holdings Co Ltd	–	4,233,300	–	1,454,000	2,779,300
China CSSC Holdings Ltd	981,217	730,320	–	998,765	712,772
China Eastern Airlines Corp Ltd	3,617,449	3,848,270	–	3,962,883	3,502,836
China Everbright Bank Co Ltd	28,326,003	21,161,838	–	33,028,777	16,459,064
China First Heavy Industries	–	4,895,137	–	2,193,900	2,701,237
China Fortune Land Development Co Ltd	754,359	1,084,500	601,359	1,346,985	1,093,233
China Gezhouba Group Co Ltd	3,273,737	3,098,541	–	3,520,099	2,852,179
China Hainan Rubber Industry Group Co Ltd	1,681,593	1,274,814	–	1,732,437	1,223,970
China International Marine Containers Group Co Ltd	1,228,971	910,754	–	1,375,476	764,249
China International Travel Service Co Ltd	556,636	339,846	–	493,015	403,467
China Life Insurance Co Ltd	2,134,427	2,026,162	–	2,438,516	1,722,073
China Merchants Bank Co Ltd	22,995,604	17,687,837	–	30,027,982	10,655,459
China Merchants Energy Shipping Co Ltd	–	2,191,106	–	–	2,191,106
China Merchants Property Development Co Ltd	1,467,641	382,152	(1,105,993)	743,800	–
China Merchants Securities Co Ltd	3,298,434	2,955,664	–	3,293,722	2,960,376
China Merchants Shekou Industrial Zone Co Ltd	–	6,500	1,770,474	–	1,776,974
China Minmetals Rare Earth Co Ltd	837,208	679,900	–	809,585	707,523
China Minsheng Banking Corp Ltd	37,693,419	38,355,823	–	45,522,924	30,526,318

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2015

INVESTMENTS (continued)	Holdings as at 1 January 2015	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2015
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed securities (continued)					
China Molybdenum Co Ltd	337,645	1,427,000	1,983,490	1,062,000	2,686,135
China National Chemical Engineering Co Ltd	2,808,614	2,090,700	–	2,861,328	2,037,986
China National Nuclear Power Co Ltd	–	4,819,302	–	–	4,819,302
China Northern Rare Earth Group High- Tech Co Ltd	2,067,052	2,292,500	804,026	2,909,983	2,253,595
China Oilfield Services Ltd	838,990	621,932	–	847,742	613,180
China Pacific Insurance Group Co Ltd	4,378,622	3,309,504	–	4,441,794	3,246,332
China Petroleum & Chemical Corp	7,903,591	14,844,169	–	11,896,100	10,851,660
China Railway Construction Corp Ltd	4,282,888	3,831,226	–	4,545,598	3,568,516
China Railway Group Ltd	9,728,287	6,780,334	–	10,734,367	5,774,254
China Resources Sanjiu Medical & Pharmaceutical Co Ltd	559,913	366,967	–	522,155	404,725
China Shenhua Energy Co Ltd	4,690,952	2,095,733	–	4,742,576	2,044,109
China Shipbuilding Industry Co Ltd	10,448,081	10,793,962	–	11,760,592	9,481,451
China Shipping Container Lines Co Ltd	4,514,090	2,042,156	–	3,349,554	3,206,692
China South Publishing & Media Group Co Ltd	1,024,285	737,479	–	1,021,322	740,442
China Southern Airlines Co Ltd	5,002,358	3,724,700	–	5,103,896	3,623,162
China Spacesat Co Ltd	841,592	570,700	–	801,862	610,430
China State Construction Engineering Corp Ltd	20,921,549	15,956,938	–	21,383,427	15,495,060
China United Network Communications Ltd	12,075,275	9,025,904	–	12,342,065	8,759,114
China Vanke Co Ltd	13,533,419	10,232,542	–	15,827,154	7,938,807
China XD Electric Co Ltd	2,923,611	2,215,900	–	3,021,913	2,117,598
China Yangtze Power Co Ltd	7,040,387	2,813,374	–	4,739,471	5,114,290
Chinese Universe Publishing and Media Co Ltd	671,563	586,250	–	690,090	567,723
Chongqing Changan Automobile Co Ltd	3,212,725	2,354,041	–	3,233,465	2,333,301
Chongqing Water Group Co Ltd	1,368,792	596,607	–	1,375,621	589,778
CITIC Guoan Information Industry Co Ltd	1,340,799	263,800	–	1,604,599	–
CITIC Heavy Industries Co Ltd	–	1,276,910	–	–	1,276,910
CITIC Securities Co Ltd	10,960,234	8,402,689	–	11,231,066	8,131,857
CPT Technology (Group) Co Ltd	443,039	18,600	–	461,639	–
CRRC Corp Ltd	7,756,704	8,948,073	4,747,524	11,980,958	9,471,343
Daqin Railway Co Ltd	8,238,830	6,336,852	–	8,428,859	6,146,823

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2015

INVESTMENTS (continued)	Holdings as at 1 January 2015	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2015
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed securities (continued)					
Datang International Power Generation Co Ltd	–	5,620,325	–	2,529,400	3,090,925
DHC Software Co Ltd	1,075,768	804,951	–	1,082,167	798,552
Dong-E-E-Jiao Co Ltd	746,136	547,629	–	753,290	540,475
Dongfang Electric Corp Ltd	945,445	1,752,500	–	1,457,049	1,240,896
Dongxing Securities Co Ltd	–	371,700	–	–	371,700
Dongxu Optoelectronic Technology Co Ltd	1,102,876	2,770,713	–	2,124,673	1,748,916
Dr Peng Telecom & Media Group Co Ltd	1,584,815	1,107,800	–	1,534,682	1,157,933
East Money Information Co Ltd	–	2,254,521	–	1,027,115	1,227,406
Everbright Securities Co Ltd	–	2,440,811	–	1,230,860	1,209,951
Fangda Carbon New Material Co., Ltd	1,471,462	1,021,800	–	2,493,262	–
FAW CAR Co Ltd	1,161,377	913,000	–	1,232,362	842,015
Fiberhome Telecommunication Technologies Co Ltd	686,436	68,700	–	755,136	–
Financial Street Holdings Co Ltd	3,403,404	2,566,985	–	4,424,044	1,546,345
Foshan Haitian Flavouring & Food Co Ltd	212,300	341,961	137,600	412,803	279,058
Founder Securities Co Ltd	5,707,432	4,396,386	–	5,856,004	4,247,814
Fuyao Glass Industry Group Co Ltd	1,991,497	1,477,200	–	2,023,673	1,445,024
Gansu Yasheng Industrial (Group) Co Ltd	2,211,048	1,640,500	–	3,851,548	–
GD Power Development Co Ltd	12,266,665	11,158,700	–	13,287,680	10,137,685
Gemdale Corp	6,393,484	2,706,508	–	6,777,637	2,322,355
GF Securities Co Ltd	4,118,014	3,126,860	–	4,185,517	3,059,357
Glodon Software Co Ltd	534,536	619,292	216,268	668,801	701,295
GoerTek Inc	1,085,703	915,170	–	1,054,430	946,443
Great Wall Motor Co Ltd	570,167	458,552	946,694	732,172	1,243,241
Gree Electric Appliances Inc of Zhuhai	3,423,844	4,082,454	3,078,174	5,612,019	4,972,453
Guangdong Advertising Co Ltd	656,796	57,900	247,848	962,544	–
Guangdong Alpha Animation and Culture Co Ltd	271,433	482,880	217,733	450,359	521,687
Guangdong Electric Power Development Co Ltd	–	1,666,600	–	747,546	919,054
Guangdong Golden Dragon Development Inc	–	713,400	–	255,200	458,200
Guanghui Energy Co Ltd	4,465,720	3,221,706	–	4,446,025	3,241,401
Guangshen Railway Co Ltd	4,825,201	3,591,927	–	4,908,340	3,508,788
Guangxi Wuzhou Zhongheng Group Co Ltd	1,318,181	1,360,700	1,982,044	1,792,028	2,868,897

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2015

INVESTMENTS (continued)	Holdings as at 1 January 2015	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2015
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed securities (continued)					
Guangzhou Automobile Group Co Ltd	–	567,901	–	–	567,901
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	829,109	547,732	–	824,831	552,010
Guangzhou Haige Communications Group Inc Co	1,132,912	1,066,600	906,125	1,339,087	1,766,550
Guizhou Panjiang Refined Coal Co Ltd	704,347	68,700	–	773,047	–
Guosen Securities Co Ltd	–	2,309,056	–	1,040,489	1,268,567
Guotai Junan Securities Co Ltd	–	1,576,954	–	–	1,576,954
Guoyuan Securities Co Ltd	1,399,418	1,347,259	–	1,526,857	1,219,820
Hainan Airlines Co Ltd	8,390,451	6,280,500	–	8,565,594	6,105,357
Hainan Mining Co Ltd	–	359,200	–	145,500	213,700
Haining China Leather Market Co Ltd	819,066	554,226	–	1,373,292	–
Haitong Securities Co Ltd	11,267,848	8,650,144	–	11,559,514	8,358,478
Hangzhou Hikvision Digital Technology Co Ltd	1,716,148	1,155,309	–	1,610,868	1,260,589
Han's Laser Technology Industry Group Co Ltd	1,200,585	912,913	–	1,241,752	871,746
Harbin Pharmaceutical Group Co Ltd	1,359,650	137,400	–	1,497,050	–
Hebei Iron & Steel Co Ltd	6,035,688	4,261,800	–	5,917,031	4,380,457
Heilan Home Co Ltd	1,275,959	2,074,342	–	1,956,731	1,393,570
Henan Shuanghui Investment & Development Co Ltd	939,103	1,080,115	362,151	1,356,239	1,025,130
Hisense Electric Co Ltd	1,119,495	870,191	–	1,177,879	811,807
Hong Yuan Securities Co Ltd	2,485,335	–	(2,485,335)	–	–
Huadian Power International Corp Ltd	3,027,889	2,595,700	–	3,104,029	2,519,560
Huadong Medicine Co Ltd	309,593	190,764	–	277,123	223,234
Hualan Biological Engineering Inc	413,936	365,200	–	479,273	299,863
Huaneng Power International Inc	5,975,972	4,487,947	–	6,123,397	4,340,522
Huatai Securities Co Ltd	3,889,436	3,699,208	–	4,216,089	3,372,555
Huawen Media Investment Corp	1,684,468	1,416,500	–	1,409,511	1,691,457
Huaxia Bank Co Ltd	6,329,927	5,169,710	1,292,964	7,269,604	5,522,997
Huayi Brothers Media Corp	1,232,517	850,027	–	1,077,140	1,005,404
Huayu Automotive Systems Co Ltd	1,467,995	1,080,673	–	1,481,197	1,067,471
Hubei Energy Group Co Ltd	3,236,652	2,224,000	–	3,256,372	2,204,280
Humanwell Healthcare (Group) Co., Ltd	751,546	66,300	–	817,846	–
Hunan TV & Broadcast Intermediary Co Ltd	1,008,631	937,036	–	775,685	1,169,982
Hundsun Technologies Inc	702,617	532,700	–	725,068	510,249

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2015

INVESTMENTS (continued)	Holdings as at 1 January 2015	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2015
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed securities (continued)					
Iflytek Co Ltd	797,024	926,752	331,682	1,126,638	928,820
Industrial & Commercial Bank of China Ltd	24,532,741	30,745,757	–	32,997,295	22,281,203
Industrial Bank Co Ltd	15,947,695	14,072,875	–	16,242,429	13,778,141
Industrial Securities Co Ltd	5,174,018	4,641,594	–	5,529,089	4,286,523
Inner Mongolia BaoTou Steel Union Co Ltd	11,388,095	11,629,578	–	12,930,921	10,086,752
Inner Mongolia Junzheng Energy & Chemical Industry Group Co Ltd	961,493	840,200	603,639	1,264,344	1,140,988
Inner Mongolia MengDian HuaNeng Thermal Power Corp Ltd	4,134,218	3,098,300	–	4,230,600	3,001,918
Inner Mongolia Yili Energy Company Limited	1,189,392	713,600	–	1,902,992	–
Inner Mongolia Yili Industrial Group Co Ltd	4,249,155	6,267,176	3,350,305	7,601,044	6,265,592
Jiangsu Broadcasting Cable Information Network Corp Ltd	–	615,312	–	–	615,312
Jiangsu Hengrui Medicine Co Ltd	1,067,509	1,337,013	232,778	1,424,600	1,212,700
Jiangsu Kangde Xin Composite Material Co Ltd	1,074,311	1,613,942	410,026	1,608,000	1,490,279
Jiangsu Phoenix Publishing & Media Corp Ltd	1,089,562	793,300	–	1,096,878	785,984
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	459,673	662,215	125,726	625,463	622,151
Jiangxi Copper Co Ltd	1,182,699	913,000	–	1,235,499	860,200
Jiangxi Hongdu Aviation Industry Co Ltd	609,955	453,131	–	1,063,086	–
Jihua Group Corp Ltd	–	1,594,239	–	–	1,594,239
Jilin Aodong Pharmaceutical Group Co Ltd	1,018,750	730,497	–	1,009,198	740,049
Jinduicheng Molybdenum Co Ltd	1,376,685	1,022,900	–	1,397,782	1,001,803
Jishi Media Co., Ltd	1,249,922	1,033,653	1,052,075	3,335,650	–
Jizhong Energy Resources Co Ltd	1,166,549	1,086,876	279,615	1,442,548	1,090,492
Jointown Pharmaceutical Group Co Ltd	468,912	365,178	–	491,453	342,637
Juneyao Airlines Co Ltd	–	71,356	69,656	–	141,012
Kangmei Pharmaceutical Co Ltd	2,193,533	3,090,604	1,503,681	3,605,290	3,182,528
Kingenta Ecological Engineering Group Co Ltd	442,694	695,610	335,204	827,598	645,910
Kingfa Sci & Tech Co Ltd	2,185,962	227,900	–	2,413,862	–
Kweichow Moutai Co Ltd	649,333	547,177	57,447	734,724	519,233
Lepu Medical Technology Beijing Co Ltd	–	1,046,792	–	544,358	502,434

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2015

INVESTMENTS (continued)	Holdings as at 1 January 2015	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2015
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed securities (continued)					
Leshi Internet Information & Technology Corp Beijing	–	1,687,000	–	702,000	985,000
Liaoning Cheng Da Co Ltd	2,035,696	774,150	–	1,514,141	1,295,705
Luxin Venture Capital Group Co Ltd	319,706	370,000	–	381,200	308,506
Luxshare Precision Industry Co Ltd	353,823	588,572	158,145	585,499	515,041
Luzhou Laojiao Co Ltd	999,087	730,373	–	1,006,740	722,720
MeiHua Holdings Group Co Ltd	2,210,571	1,835,900	–	2,143,165	1,903,306
Metallurgical Corp of China Ltd	6,913,363	3,384,300	–	5,269,034	5,028,629
Midea Group Co Ltd	2,999,973	2,213,866	–	3,009,402	2,204,437
Minmetals Development Co Ltd	611,145	70,800	–	681,945	–
NARI Technology Co Ltd	2,075,920	1,541,230	–	2,112,947	1,504,203
Neusoft Corp	1,225,576	912,948	–	1,225,178	913,346
New China Life Insurance Co Ltd	1,188,577	911,300	–	1,452,369	647,508
New Hope Liuhe Co Ltd	888,222	949,500	–	728,000	1,109,722
Neway Valve Suzho Co Ltd	213,419	22,900	–	236,319	–
Ningbo Port Co Ltd	5,452,122	2,400,420	–	3,712,897	4,139,645
Northeast Securities Co Ltd	1,671,923	1,278,198	–	1,738,181	1,211,940
Oceanwide Holdings Co Ltd	–	2,578,496	–	1,164,600	1,413,896
Offshore Oil Engineering Co Ltd	2,518,572	2,573,338	–	2,811,347	2,280,563
Orient Securities Co Ltd	–	1,989,034	–	899,543	1,089,491
Ourpalm Co Ltd	–	1,529,650	–	–	1,529,650
Pacific Securities Co Ltd	–	5,659,280	–	2,057,700	3,601,580
Pang Da Automobile Trade Co Ltd	1,838,396	3,369,000	1,551,196	3,417,744	3,340,848
Pangang Group Vanadium Titanium & Resources Co Ltd	6,096,114	4,238,300	–	5,893,848	4,440,566
People.cn Co Ltd	392,775	443,100	389,976	653,429	572,422
PetroChina Co Ltd	5,530,221	6,273,163	–	6,789,346	5,014,038
Ping An Bank Co Ltd	7,958,695	6,177,855	1,317,386	9,538,319	5,915,617
Ping An Insurance Group Co of China Ltd	6,658,784	8,823,860	5,968,919	10,262,984	11,188,579
Poly Real Estate Group Co Ltd	9,156,363	6,845,712	–	9,335,721	6,666,354
Power Construction Corp of China Ltd	4,093,397	5,208,735	–	5,033,399	4,268,733
Qingdao Haier Co Ltd	2,168,885	2,173,749	1,880,590	2,383,959	3,839,265
Qinghai Salt Lake Industry Co Ltd	906,140	730,208	–	978,556	657,792
RiseSun Real Estate Development Co Ltd	808,547	1,780,203	633,447	1,639,987	1,582,210
SAIC Motor Corp Ltd	4,704,703	3,387,521	–	4,673,180	3,419,044
Sanan Optoelectronics Co Ltd	1,697,778	1,406,743	–	1,624,761	1,479,760
Sany Heavy Industry Co Ltd	4,336,781	4,383,168	–	4,784,614	3,935,335
SDIC Power Holdings Co Ltd	4,833,525	2,678,427	–	4,002,143	3,509,809
Sealand Securities Co Ltd	1,316,840	1,786,800	–	1,651,000	1,452,640
Searainbow Holding Corp	1,019,842	696,327	–	974,812	741,357

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2015

INVESTMENTS (continued)	Holdings as at 1 January 2015	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2015
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed securities (continued)					
Shaanxi Coal Industry Co Ltd	683,577	3,297,600	–	1,914,600	2,066,577
Shandong Gold Mining Co Ltd	1,008,745	755,200	–	1,028,963	734,982
Shandong Hi-speed Co Ltd	–	696,758	–	–	696,758
Shanghai 2345 Network Holding Group Co Ltd	–	269,210	–	–	269,210
Shanghai Bailian Group Co Ltd	1,096,708	797,258	–	1,095,196	798,770
Shanghai Construction Group Co Ltd	1,958,959	1,861,523	457,878	2,439,329	1,839,031
Shanghai Electric Group Co Ltd	2,797,348	3,312,621	–	3,057,776	3,052,193
Shanghai Electric Power Co Ltd	–	880,890	–	–	880,890
Shanghai Fosun Pharmaceutical Group Co Ltd	1,628,720	1,277,918	–	1,723,711	1,182,927
Shanghai International Airport Co Ltd	1,369,036	1,068,207	–	1,442,753	994,490
Shanghai International Port Group Co Ltd	6,470,371	3,378,168	–	6,494,778	3,353,761
Shanghai Jahwa United Co Ltd	765,130	528,287	–	736,547	556,870
Shanghai Lujiazui Finance & Trade Zone Development Co Ltd	578,984	379,311	–	538,032	420,263
Shanghai Oriental Pearl (Group) Co Ltd	2,269,922	83,901	(1,759,823)	594,000	–
Shanghai Oriental Pearl Media Co Ltd	951,571	2,556,938	576,991	2,184,983	1,900,517
Shanghai Pharmaceuticals Holding Co Ltd	1,369,361	1,215,080	–	1,393,950	1,190,491
Shanghai Pudong Development Bank Co Ltd	15,563,146	11,941,512	–	17,868,559	9,636,099
Shanghai RAAS Blood Products Co Ltd	348,226	438,496	309,922	526,549	570,095
Shanghai SMI Holding Co Ltd	2,355,398	1,465,300	–	2,282,138	1,538,560
Shanghai Tunnel Engineering Co Ltd	–	1,624,800	–	–	1,624,800
Shanghai Waigaoqiao Free Trade Zone Group Co Ltd	397,672	441,100	–	453,395	385,377
Shanghai Yuyuan Tourist Co Ltd	1,435,565	137,392	–	1,572,957	–
Shanghai Zhangjiang High-Tech Park Development Co Ltd	–	800,544	–	–	800,544
Shanxi Lu'an Environmental Energy Development Co Ltd	1,309,859	1,247,490	292,905	1,609,284	1,240,970
Shanxi Securities Co Ltd	1,436,346	1,387,566	–	1,519,300	1,304,612
Shanxi Taigang Stainless Steel Co Ltd	3,235,811	2,418,675	–	3,307,032	2,347,454
Shanxi Xinghuacun Fen Wine Factory Co Ltd	368,028	322,800	–	690,828	–

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2015

INVESTMENTS (continued)	Holdings as at 1 January 2015	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2015
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed securities (continued)					
Shanxi Xishan Coal & Electricity Power Co Ltd	2,239,108	1,677,920	–	2,292,167	1,624,861
Shenergy Co Ltd	3,245,529	2,404,685	–	3,303,820	2,346,394
Shenwan Hongyuan Group Co Ltd	–	5,117,199	5,093,403	5,607,775	4,602,827
Shenzhen Agricultural Products Co Ltd	1,929,551	988,400	–	2,041,893	876,058
Shenzhen Aisidi Co Ltd	288,821	7,700	–	296,521	–
Shenzhen Energy Group Co Ltd	1,123,085	1,204,613	421,023	1,524,036	1,224,685
Shenzhen Hepalink Pharmaceutical Co Ltd	347,070	148,911	–	249,699	246,282
Shenzhen Inovance Technology Co Ltd	664,376	547,717	–	722,268	489,825
ShenZhen MTC Co Ltd	908,736	30,800	–	939,536	–
Shenzhen O-film Tech Co Ltd	880,300	809,966	–	943,442	746,824
Shenzhen Overseas Chinese Town Co Ltd	5,175,773	3,863,815	–	5,244,641	3,794,947
Shenzhen Salubris Pharmaceuticals Co Ltd	279,143	357,450	138,206	450,139	324,660
Shenzhen Zhongjin Lingnan Nonfemet Co Ltd	2,058,729	1,451,405	–	2,140,516	1,369,618
Shijiazhuang Yiling Pharmaceutical Co Ltd	320,499	53,300	266,799	640,598	–
Siasun Robot & Automation Co Ltd	746,019	575,800	–	808,665	513,154
Sichuan Changhong Electric Co Ltd	5,255,305	3,919,781	–	5,366,909	3,808,177
Sichuan Chuantou Energy Co Ltd	1,562,594	2,139,800	1,156,815	2,584,961	2,274,248
Sichuan Kelun Pharmaceutical Co Ltd	512,411	652,434	418,689	692,806	890,728
Sinolink Securities Co Ltd	2,209,494	2,493,065	–	2,827,617	1,874,942
Sinopec Shanghai Petrochemical Co Ltd	3,124,249	2,360,100	–	3,221,135	2,263,214
Songcheng Performance Development Co Ltd	–	591,870	–	–	591,870
SooChow Securities Co Ltd	1,919,464	2,227,339	–	1,918,443	2,228,360
Southwest Securities Co Ltd	1,604,832	1,843,480	1,584,312	2,118,707	2,913,917
Spring Airlines Co Ltd	–	263,413	154,013	170,482	246,944
Suning Commerce Group Co Ltd	6,302,692	4,705,765	–	6,431,878	4,576,579
Suzhou Gold Mantis Construction Decoration Co Ltd	1,257,521	856,384	–	1,203,013	910,892
Tangshan Jidong Cement Co Ltd	763,032	68,623	–	831,655	–
Tasly Pharmaceutical Group Co Ltd	880,403	730,259	–	940,530	670,132
TBEA Co Ltd	3,685,667	2,761,900	–	3,766,598	2,680,969
TCL Corporation	10,753,675	10,242,832	–	12,172,954	8,823,553
Tianjin Port Co Ltd	–	1,590,420	–	727,800	862,620
Tianjin Zhonghuan Semiconductor Co Ltd	591,010	1,367,734	564,852	1,102,977	1,420,619

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2015

INVESTMENTS (continued)	Holdings as at 1 January 2015	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2015
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed securities (continued)					
Tonghua Dongbao Pharmaceutical Co Ltd	1,026,204	838,773	79,250	1,120,379	823,848
Tongling Nonferrous Metals Group Co Ltd	1,090,149	424,500	3,738,596	1,296,158	3,957,087
Tsinghua Tongfang Co Ltd	2,497,598	1,848,895	–	2,509,109	1,837,384
Tsingtao Brewery Co Ltd	496,831	365,099	–	572,269	289,661
Tus-Sound Environmental Resources Co Ltd	719,163	546,409	–	740,269	525,303
Universal Scientific Industrial Shanghai Co Ltd	152,328	304,164	107,728	230,100	334,120
Wanda Cinema Line Co Ltd	–	127,375	–	–	127,375
Wangsu Science & Technology Co Ltd	313,821	486,364	290,765	586,010	504,940
Wanhua Chemical Group Co Ltd	1,538,050	1,118,445	–	1,541,778	1,114,717
Wanxiang Qianchao Co Ltd	1,357,547	1,266,720	210,309	1,647,825	1,186,751
Wasu Media Holding Co Ltd	98,951	263,700	–	229,300	133,351
Weichai Power Co Ltd	1,507,689	2,044,332	1,297,521	2,344,608	2,504,934
Weifu High-Technology Group Co Ltd	842,929	630,400	–	953,889	519,440
Western Mining Co Ltd	2,712,571	2,012,800	–	4,725,371	–
Western Securities Co Ltd	681,505	1,331,302	432,632	1,291,785	1,153,654
Wintime Energy Co Ltd	3,028,980	3,872,610	713,244	4,146,145	3,468,689
Wuhan Iron & Steel Co Ltd	–	7,576,980	–	3,404,600	4,172,380
Wuliangye Yibin Co Ltd	2,702,127	1,536,595	–	2,279,564	1,959,158
XCMG Construction Machinery Co Ltd	1,473,941	2,939,163	2,699,444	2,715,209	4,397,339
Xiamen C & D Inc	2,380,659	482,700	–	960,538	1,902,821
Xiamen Tungsten Co Ltd	485,198	462,849	114,960	615,736	447,271
Xinhu Zhongbao Co Ltd	3,092,316	3,015,300	–	3,285,500	2,822,116
Xinjiang Goldwind Science & Technology Co Ltd	2,185,320	1,651,377	–	2,221,988	1,614,709
Xinxing Ductile Iron Pipes Co Ltd	3,115,947	1,618,724	–	2,479,000	2,255,671
Xizang Haisco Pharmaceutical Group Co., Ltd	307,435	182,900	–	490,335	–
XJ Electric Co Ltd	860,907	638,978	–	875,935	623,950
Yang Quan Coal Industry (Group) Co., LTd	1,699,724	1,272,697	–	2,972,421	–
Yantai Changyu Pioneer Wine Co Ltd	192,448	22,900	–	215,348	–
Yantai Jereh Oilfield Services Group Co Ltd	681,244	289,300	–	476,684	493,860
Yanzhou Coal Mining Co Ltd	838,462	366,817	–	802,932	402,347
Yingkou Port Liability Co Ltd	–	3,642,500	–	1,632,800	2,009,700
Yonghui Superstores Co Ltd	2,782,168	2,181,800	–	2,861,656	2,102,312
Yonyou Network Technology Co Ltd	827,387	688,660	124,677	1,038,461	602,263
Youngor Group Co Ltd	2,215,901	1,643,574	–	2,250,223	1,609,252

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2015

INVESTMENTS (continued)	Holdings as at 1 January 2015	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2015
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed securities (continued)					
Yunnan Baiyao Group Co Ltd	741,506	547,669	–	751,025	538,150
Yunnan Chihong Zinc & Germanium Co Ltd	1,428,399	989,906	–	2,418,305	–
Yunnan Copper Co Ltd	1,007,726	267,600	–	1,275,326	–
Yunnan Tin Co Ltd	1,145,630	746,500	–	1,892,130	–
Zhangzhou Pientzehuang Pharmaceutical Co Ltd	112,219	22,853	110,508	245,580	–
Zhejiang China Commodities City Group Co Ltd	1,939,123	2,867,456	1,522,523	3,511,873	2,817,229
Zhejiang Dahua Technology Co Ltd	832,505	673,179	–	787,676	718,008
Zhejiang Daily Media Group Co Ltd	842,093	383,700	–	633,926	591,867
Zhejiang Hisun Pharmaceutical Co Ltd	686,571	68,700	–	755,271	–
Zhejiang Huace Film & TV Co Ltd	362,741	419,600	130,370	463,100	449,611
Zhejiang Longsheng Group Co Ltd	1,741,637	2,243,307	1,230,945	2,862,048	2,353,841
Zhejiang NHU Co Ltd	775,866	530,658	–	1,306,524	–
Zhejiang Yasha Decoration Co Ltd	507,216	734,813	215,106	764,200	692,935
Zhejiang Zheneng Electric Power Co Ltd	1,126,448	4,621,012	–	2,938,600	2,808,860
Zhengzhou Yutong Bus Co Ltd	1,266,671	1,438,068	457,791	1,791,024	1,371,506
Zhongjin Gold Corp Ltd	2,093,321	1,568,371	–	2,143,296	1,518,396
Zhongtian Urban Development Group Co Ltd	–	1,782,061	–	–	1,782,061
Zijin Mining Group Co Ltd	11,246,995	10,426,206	–	11,887,047	9,786,154
Zoomlion Heavy Industry Science and Technology Co Ltd	6,243,839	4,649,354	–	6,357,469	4,535,724
ZTE Corp	2,796,903	2,278,534	479,504	3,117,101	2,437,840

ChinaAMC CSI 300 Index ETF
(a sub-fund of ChinaAMC ETF Series)

PERFORMANCE RECORD

Year ended 31 December 2015

1. NET ASSET VALUE (calculated in accordance with the Sub-Fund's Trust Deed)

	Net assets attributable to unitholders RMB	Net asset value per unit RMB
As at:		
31 December 2015	10,233,734,995	38.0083
31 December 2014	11,838,043,003	35.3269
31 December 2013	9,172,353,719	23.1013

2. HIGHEST ISSUE AND LOWEST REDEMPTION PRICES PER UNIT ^A

	Highest issue unit price RMB	Lowest redemption unit price RMB
During the year/period ended:		
31 December 2015	53.7690	30.5877
31 December 2014	35.3314	21.0387
31 December 2013	27.1919	21.6261
31 December 2012	24.9664	21.1203

3. COMPARISON OF THE SCHEME PERFORMANCE AND THE ACTUAL INDEX PERFORMANCE ^A

The table below illustrates the comparison between the Sub-Fund's performance (Market-to-Market) and that of the Index during the following year/period:

	The Index (since 16 July 2012)	RMB counter of the Sub-Fund (since 17 July 2012)	HKD counter of the Sub-Fund (since 26 October 2012)
During the year/period ended:			
31 December 2015	55.48%	57.44%	59.33%
31 December 2014	47.25%	41.94%	52.57%
31 December 2013	-2.90%	-4.96%	4.44%
31 December 2012 ^B	5.13%	4.13%	11.72%

^A Past performance figures shown are not indicative of the future performance of the Sub-Fund.

^B The financial period of the Sub-Fund extended from 11 July 2012 (date of inception) to 31 December 2012.



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