



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

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

Semi-Annual Report
FOR THE PERIOD ENDED 30 JUNE 2016

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

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

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The CSOP FTSE China A50 ETF (the “CSOP A50 ETF” or the “Sub-Fund”), a sub-fund of the CSOP ETF Series, is a unit trust authorized under the Securities and Futures Ordinance (Cap. 571) of Hong Kong. It was launched on 23 August 2012 and commenced trading in RMB under the stock code 82822 on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 28 August 2012; following the SEHK’s dual counter model, the CSOP A50 ETF started trading in HKD under the stock code 02822 on the SEHK on 8 November 2012. The CSOP A50 ETF is benchmarked against the FTSE China A50 Index (the “A50 Index”) and adopts the full-replication strategy. The Manager and RQFII Holder of the CSOP A50 ETF is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The CSOP A50 ETF is a physical ETF which invests directly in the A50 Index securities through the RQFII quotas of the Manager and Shanghai-Hong Kong Stock Connect. Under current regulations in the PRC, foreign investors can invest in the domestic securities market through certain qualified foreign institutional investors that have obtained status as a QFII or a RQFII from the CSRC and have been granted quota(s) by SAFE to remit foreign freely convertible currencies (in the case of a QFII) and RMB (in the case of a RQFII) into the PRC for the purpose of investing in the PRC’s domestic securities markets. Meanwhile, from November 17, 2014, foreign investors can trade eligible stocks listed in Shanghai Stock Exchange through Shanghai-Hong Kong Stock Connect. The Manager has obtained RQFII status and the total RQFII quotas obtained by the Manager amount to RMB46.1 billion as of 30 June 2016. The Manager also traded A shares listed in Shanghai Stock Exchange through Shanghai-Hong Kong Stock Connect.

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

Capital Gains Tax (“CGT”) Treatment

Rules governing taxes on capital gains derived by QFIIs or RQFIIs from the trading of PRC Securities (including China A-Shares) was announced on 14 November 2014. According to the rules, investors are not required to pay capital gain tax from 17 November 2014. Therefore, the Manager did not provision any withholding tax after November 17, 2014.

Fund Performance

The CSOP A50 ETF seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As of 30 June 2016, the dealing Net Asset Value (“NAV”) per unit of the CSOP A50 ETF was RMB9.2955 and there were 2,345,500,000 units outstanding. The total asset under management was approximately RMB21.8 billion.

During the period from 1 January 2016 to 30 June 2016, the FTSE China A50 net total return index was -12.20% while the dealing NAV of CSOP A50 ETF RMB counter (stock code 82822) was -13.03%. The difference in performance between the NAV of the CSOP A50 ETF and the Index is mainly attributed to dividends, fees and expenses including tax on dividends. YTD Price return of the RMB counter (stock code 82822) was -12.10%.

Exchange Liquidity

Since inception, the CSOP A50 ETF has attracted great investor attention from investors across the globe. The trading value of the RMB counter (stock code: 82822) remained steadily at an average daily turnover of RMB20.5 million in June 2016. The trading value of the HKD counter (stock code: 02822) remained steadily at an average daily turnover of HKD694.6 million in June 2016. The Sub-Fund’s high liquidity often placed it in the most actively traded ETFs on the HKEx. The trading volume for the CSOP A50 ETF reflected strong interest in the CSOP A50 ETF.

Portfolio Rebalance

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

CSOP FTSE CHINA A50 ETF
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CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	<i>Notes</i>	30 June 2016 (Unaudited) <i>RMB</i>	31 December 2015 (Audited) <i>RMB</i>
ASSETS			
NON-CURRENT ASSETS			
Deposit reserve		1,383,200	4,519,200
CURRENT ASSETS			
Investments	<i>7(c),8(a)</i>	21,667,978,035	18,232,458,944
Interest receivable		6,683	13,191
Bank balances	<i>7(c)</i>	163,439,353	211,123,590
Total assets		<u>21,832,807,271</u>	<u>18,448,114,925</u>
LIABILITIES			
CURRENT LIABILITIES			
Amounts due to participating dealers		-	50,270,324
Amounts due to brokers		-	45,247,158
Management fee payable	<i>7(a)</i>	17,616,535	15,335,223
Other accounts payable		12,977,377	6,617,109
Total liabilities		<u>30,593,912</u>	<u>117,469,814</u>
EQUITY			
Net assets attributable to unitholders	<i>4</i>	<u>21,802,213,359</u>	<u>18,330,645,111</u>

The notes on pages 6 to 20 form part of these financial statements

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2016

	<i>Notes</i>	Period from 1 January 2016 to 30 June 2016 (Unaudited) <i>RMB</i>	Period from 1 January 2015 to 30 June 2015 (Unaudited) <i>RMB</i>
INCOME			
Dividend income		225,887,829	198,875,712
Interest income		249,522	611,492
Net (loss)/gain on investments	5	(2,273,424,151)	3,678,055,204
Other income		590,569	60,370,085
Total net (loss)/income		<u>(2,046,696,231)</u>	<u>3,937,912,493</u>
EXPENSES			
Management fee	7(a)	(87,636,490)	(123,141,495)
Trustee fee	7(b)	(7,758,021)	(10,625,239)
Transaction costs on investments		(23,950,708)	(75,005,087)
Audit fee		(161,787)	(198,614)
Safe custody and bank charges		(708,735)	(431,937)
Legal and other professional fee		(386,127)	(88,765)
License fee	7(d)	(11,218,936)	-
Other operating expenses		(358,452)	(277,592)
Total operating expenses		<u>(132,179,256)</u>	<u>(209,768,729)</u>
Operating (loss)/profit		<u>(2,178,875,487)</u>	<u>3,728,143,764</u>
Taxation	6	<u>(22,774,165)</u>	<u>(19,948,719)</u>
Total comprehensive income		<u><u>(2,201,649,652)</u></u>	<u><u>3,708,195,045</u></u>

The notes on pages 6 to 20 form part of these financial statements

CSOP FTSE CHINA A50 ETF
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CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2016

	<i>Note</i>	Period from 1 January 2016 to 30 June 2016 (Unaudited) <i>RMB</i>	Period from 1 January 2015 to 30 June 2015 (Unaudited) <i>RMB</i>
Net assets attributable to unitholders at the beginning of the period		18,330,645,111	30,196,914,185
Proceeds on issue of units		9,919,196,650	15,576,522,800
Payments on redemption of units		(4,245,978,750)	(24,860,467,500)
Net increase/(decrease) from unit transactions		5,673,217,900	(9,283,944,700)
Total comprehensive income for the period		(2,201,649,652)	3,708,195,045
Net assets attributable to unitholders at the end of the period		21,802,213,359	24,621,164,530

The notes on pages 6 to 20 form part of these unaudited condensed financial statements

CSOP FTSE CHINA A50 ETF
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CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2016

	Period from 1 January 2016 to 30 June 2016 (Unaudited) RMB	Period from 1 January 2015 to 30 June 2015 (Unaudited) RMB
OPERATING ACTIVITIES		
Payments for purchase of investments	(12,401,136,103)	(20,659,456,686)
Proceeds from sale of investments	6,646,945,703	30,045,791,330
Dividend received	225,887,829	198,683,258
Interest received	256,030	579,829
Other income received	590,569	60,370,085
Management fee paid	(85,355,178)	(130,791,908)
Transaction costs paid	(23,950,708)	(75,005,087)
Taxation paid	(22,774,165)	(19,948,719)
Other operating expenses paid	(14,231,790)	(12,285,033)
Deposit reserve received	3,136,000	5,600,000
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(5,670,631,813)	9,413,537,069
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FINANCING ACTIVITIES		
Proceeds on issue of units	9,919,196,650	15,576,522,800
Amounts paid to participating dealers	(50,270,324)	(318,490,308)
Payments on redemption of units	(4,245,978,750)	(24,860,467,500)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	5,622,947,576	(9,602,435,008)
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Net decrease in cash and cash equivalents	(47,684,237)	(188,897,939)
Cash and cash equivalents at the beginning of the period	211,123,590	1,100,950,201
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	163,439,353	912,052,262
	<hr/> <hr/>	<hr/> <hr/>
Analysis of balances of cash and cash equivalents		
Bank balances	163,439,353	912,052,262
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 6 to 20 form part of these financial statements.

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP ETF Series (the “Trust”) is an umbrella unit trust governed by its a trust deed dated 25 July 2012, as amended, (the “Trust Deed”) and authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to Section 104(1) of the Securities and Futures Ordinance. The terms of the Trust Deed are governed by the laws of Hong Kong. As at 30 June 2016, the Trust has six sub-funds which are CSOP CES China A80 ETF, CSOP MSCI T50 ETF, CSOP SZSE ChiNext ETF, CSOP China CSI 300 Smart ETF, CSOP MSCI China A International ETF and CSOP FTSE China A50 ETF (the “Sub-Fund”). The date of inception of the Sub-Fund was 23 August 2012. The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited. CSOP Asset Management Limited, the manager of the Sub-Fund, applied and obtained approval to list Japan Depository Receipt (“JDR”) which represents units of the Sub-Fund on the Tokyo Stock Exchange (“TSE”). The JDR which represents units of the Sub-Fund was listed on the TSE on 27 February 2013.

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

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the underlying index, namely, FTSE China A50 Index (the “underlying Index”). In order to achieve the investment objective of the Sub-Fund, the Manager will adopt a full replication strategy by directly investing all, or substantially all, of the assets of the Sub-Fund in index securities constituting the underlying index in substantially the same weightings (i.e. proportions) as these index securities have in the underlying index. The Manager may also use a representative sampling strategy in exceptional circumstances.

Prior to 27 February 2015, the Sub-Fund has been using FTSE China A50 price return index as its underlying index. With effect from 27 February 2015, the type of the underlying index of the Sub-Fund changed from price return index to net total return index. The Manager believes that the change to the type of the underlying index will not only reduce the cash dragging but also its tracking error of the Sub-Fund.

Under current regulations in the People’s Republic of China (“PRC”), generally foreign investors can invest only in the domestic securities market through certain qualified foreign institutional investors that have obtained status as a Qualified Foreign Institutional Investor (“QFII”) or a Renminbi Qualified Foreign Institutional Investor (“RQFII”) from the China Securities Regulatory Commission (“CSRC”) and have been granted quota(s) by the State Administration of Foreign Exchange (“SAFE”) of the PRC to remit foreign freely convertible currencies (in the case of a QFII) and Chinese Renminbi (“RMB”) (in the case of a RQFII) into the PRC for the purpose of investing in the PRC’s domestic securities markets. Foreign investors can also invest in the domestic securities market through Shanghai - Hong Kong Stock Connect Program (“Stock Connect”).

The Sub-Fund obtains exposure to securities issued within the PRC through the RQFII quotas of the Manager and the Stock Connect. The Manager has obtained RQFII status in the PRC and the RQFII quotas have been granted, on behalf of the Sub-Fund. To the extent that the Manager has, on behalf of the Sub-Fund, utilised its entire RQFII quota, the Manager may, subject to any applicable requirements, apply for an increase of the RQFII quota. On the other hand, the Manager actively manages the RQFII quota obtained and may impose limits on creation applications as it considers appropriate.

These condensed semi-annual financial statements are prepared for the Sub-Fund only. The condensed financial statements for CSOP CES China A80 ETF, CSOP MSCI T50 ETF, CSOP SZSE ChiNext ETF, CSOP China CSI 300 Smart ETF and CSOP MSCI China A International ETF have been prepared separately.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

These condensed semi-annual financial statements for the six months ended 30 June 2016 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The condensed semi-annual financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies applied are consistent with those of the annual financial statements for the period ended 31 December 2015, as described in the annual financial statements.

Standard and amendments to existing standards effective 1 January 2016

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial period beginning 1st January 2016 that would be expected to have a significant impact on the Fund.

New standard and amendments to standards effective after 1 January 2016 that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund

HKFRS 9, ‘Financial instruments’, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (“OCI”) and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Manager is yet to assess HKFRS 9’s full impact to the Sub-Fund.

HKFRS 15, ‘Revenue from contracts with customers’ deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 ‘Revenue’ and HKAS 11 ‘Construction contracts’ and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Manager of the Sub-Fund is assessing the impact of HKFRS 15.

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

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

People's Republic of China (“PRC”) tax provision

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

Notice issued on 14 November 2014

On 14 November 2014, 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”) jointly issued the “Notice on temporary exemption of Corporate Income Tax on capital gains derived from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII” (“the “Notice”).

According to the Notice, amongst other things:

- (i) QFIIs and RQFIIs, which do not have an establishment or place of business in the PRC or have an establishment or place in the PRC but the income so derived in the PRC is not effectively connected with such establishment, will be temporarily exempt from corporate income tax on gains derived from the transfer of PRC equity investment assets (including China A-Shares) effective from 17 November 2014;
- (ii) PRC corporate income tax will be imposed on gains by QFIIs and RQFIIs from transfer of equity investment assets (including China A-Shares) realised prior to 17 November 2014 in accordance with laws.

As a result of the issue of the Notice, the Manager has decided on the following changes to the tax provisioning policy of the Sub-Fund:

- (i) The Sub-Fund has ceased to provide PRC withholding income tax for realised gains on investments in China A-Shares on or after 17 November 2014;
- (ii) No PRC withholding income tax provision is made for unrealized gains for China A-shares

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

People's Republic of China (“PRC”) tax provision (Continued)

On 1 April 2015, the Third Branch of Shanghai Municipal Office, SAT (the “Authority”) and the Third Branch of Shanghai Bureau of Local Taxation jointly issued the Notice on Tax Issues to notify that the QFII/RQFII shall declare and handle with the tax-related issues concerning the gains from transfer of equity investment assets, including A-Shares, realised prior to 17 November 2014 to the Authority before 30 September 2015, in accordance with the relevant PRC tax law and the Notice (the “Tax Reporting”). Those QFII/RQFII’s eligible for treaty relief under an applicable tax treaty should follow the requirement of Circular 124 for tax treaty application (the “Tax Treaty Application”).

The Manager had made, on behalf of the Sub-Fund, the Tax Reporting for the period from 23 August 2012 (date of inception) to 14 November 2014 inclusively, and applied the Tax Treaty Application for the Sub-Fund in September 2015. The Authority completed the review on the Sub-Fund's Tax Reporting and Tax Treaty Application and issued a document on its official web-site indicating that the Authority agrees with the Sub-Fund's Tax Treaty Application submitted. The Authority also issued a PRC tax demand note to the Sub-Fund to settle the PRC WIT on gross realised capital gains derived by the Sub-Fund from trading of PRC A-Shares issued by immovable properties-rich companies only for the period from 23 August 2012 (date of inception) up to and including 14 November 2014. Out of the PRC tax provision of the Sub-Fund as of 31 December 2014 of RMB55,577,523, the Sub-Fund settled the relevant PRC WIT liabilities in the amount of RMB2,767,468 on 30 September 2015 and the Manager reversed the unused WIT provision amounted to RMB52,810,055 on 1 December 2015.

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

The Sub-Fund’s capital is represented by the units in the Sub-Fund, and shown as “net assets attributable to unitholders” in the condensed statement of financial position. Subscriptions and redemptions of units during the period are shown in the statement of changes in net assets attributable to unitholders. In order to achieve the investment objectives, the Sub-Fund endeavors to invest its capital in accordance with the investment policies, whilst maintaining sufficient liquidity to meet redemption requests.

In accordance with the provisions of the Trust’s Trust Deed dated 25 July 2012, as amended, and the Prospectus of the Sub-Fund, investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations.

Redeemable units of the Sub-Fund are classified as equity and they are carried at the redemption amount that would be payable at the reporting date if the unitholder exercised the right to redeem the units in the Sub-Fund.

The movements of the redeemable units are as follows:

	Period from 1 January 2016 to 30 June 2016 (Unaudited) units	Period from 1 January 2015 to 30 June 2015 (Unaudited) units
Number of units in issue at the beginning of the period	1,715,000,000	2,649,500,000
Units issued	1,085,500,000	1,306,500,000
Units redeemed	(455,000,000)	(2,024,500,000)
	<hr/>	<hr/>
Number of units in issue at the end of the period	<u>2,345,500,000</u>	<u>1,931,500,000</u>

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

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

	As at 30 June 2016 (Unaudited) RMB	As at 31 December 2015 (Audited) RMB
Net assets attributable to unitholders per unit	9.2953	10.6884

5. NET (LOSS)/GAIN ON INVESTMENTS

	Period from 1 January 2016 to 30 June 2016 (Unaudited) RMB	Period from 1 January 2015 to 30 June 2015 (Unaudited) RMB
Net fair value change in unrealised gain/loss in value of investments	(1,674,714,296)	(6,319,766,395)
Net realised (loss)/gain on sale of investments	(598,709,855)	9,997,821,599
	<u>(2,273,424,151)</u>	<u>3,678,055,204</u>

6. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Fund as it was authorised as collective investment schemes under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

PRC tax

The Sub-Fund invests in A-Shares listed in the PRC and is subjected to 10% withholding tax on dividend income derived from A-Shares. Withholding tax was charged on dividend income received from A-Shares during the period from 1 January 2016 to 30 June 2016.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

6. TAXATION (Continued)

The taxation of the Sub-Fund represents:

	Period from 1 January 2016 to 30 June 2016 (Unaudited) <i>RMB</i>	Period from 1 January 2015 to 30 June 2015 (Unaudited) <i>RMB</i>
Withholding tax on dividend income	22,749,213	19,887,570
Withholding tax on interest income	24,952	61,149
Taxation	<u>22,774,165</u>	<u>19,948,719</u>

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

The following is a summary of significant related party transactions/transactions entered into during the period between the Sub-Fund and the Trustee, the Manager and their Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the “SFC Code”). All transactions entered into during the period from 1 January 2016 to 30 June 2016, between the Sub-Fund and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager’s knowledge, the Sub-Fund does not have any other transactions with Connected Persons except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the net asset value of the Sub-Fund accrued daily and calculated as at each dealing day and payable monthly in arrears.

(b) Trustee fee and Registrar’s fee

The Trustee is entitled to receive a trustee fee of up to 1% per annum of the net asset value of the Sub-Fund, which accrued daily and calculated as at each dealing day and payable monthly in arrears. For the period/year ended 30 June 2016 and 31 December 2015, the trustee fee is calculated as a percentage per annum of the net asset value of the Sub-Fund at the rate as follows, subject to a monthly minimum of RMB40,000:

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

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

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

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

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

(c) Financial assets

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

	As at 30 June 2016 (Unaudited) <i>RMB</i>	As at 31 December 2015 (Audited) <i>RMB</i>
Investments		
HSBC Bank (China) Company Limited	21,667,978,035	18,232,458,944
Bank balances		
The Hongkong and Shanghai Banking Corporation Limited	22,880,587	110,734,726
HSBC Bank (China) Company Limited	140,558,766	100,388,864
	<u>163,439,353</u>	<u>211,123,590</u>

(d) License fee

According to the Trust Deed dated 25 July 2012, as amended, the license fees and expenses payable to the owner of an index for the use of such index shall be payable out of the Sub-Fund. Prior to 1 January 2015, the FTSE index license fees were paid by the Manager of the Sub-Fund. Pursuant to the letter dated 16 November 2015 between the Trustee and the Manager of the Sub-Fund, the Manager has decided that the license fee shall be paid out of the sub-Fund commencing from 1 January 2015. As at 30 June 2016, the amount of RMB11,218,936 (30 June 2015: Nil) represents the license fee paid by the Sub-Fund.

8. FINANCIAL RISK MANAGEMENT

The objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the FTSE China A50 Index. The Sub-Fund's activities may expose it to a variety of risks including but not limited to: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

The following is a summary of the main risks and risk management policies.

(a) Market risk

(i) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Fund is designated to track the performance of the FTSE China A50 Index, therefore the exposures to market risk in the Sub-Fund will be substantially the same as the tracked index. The Manager manages the Sub-Fund's exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned with the characteristics of the tracked index.

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

As at 30 June 2016 and 31 December 2015, the Sub-Fund's investments were concentrated in the following industries:

	30 June 2016 (Unaudited)		31 December 2015 (Audited)	
	Fair value <i>RMB</i>	% of net asset value	Fair value <i>RMB</i>	% of net asset value
Listed equities – by industry				
Basic materials	335,444,438	1.54	293,798,572	1.60
Consumer goods	2,489,067,141	11.41	1,353,533,151	7.38
Consumer Services	-	-	252,164,110	1.38
Financials	15,597,305,792	71.54	12,585,400,577	68.64
Health Care	109,127,874	0.50	86,329,057	0.47
Industrials	2,336,834,407	10.72	2,630,961,791	14.36
Oil & gas	487,971,342	2.24	404,247,010	2.21
Technology	44,585,255	0.20	-	-
Telecommunications	-	-	260,833,401	1.42
Utilities	267,641,786	1.23	365,191,275	2.00
	<u>21,667,978,035</u>	<u>99.38</u>	<u>18,232,458,944</u>	<u>99.46</u>

The Sub-Fund held 50 out of 50 (31 December 2015: 50 out of 50) constituents comprising the FTSE China A50 Index, and 1 suspended security in the investment portfolio. The suspended security which is not a constituent in the FTSE China A50 Index will be sold until it resumes trading. The Sub-Fund is therefore exposed to substantially the same market price risk as the FTSE China A50 Index.

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

As at 30 June 2016, if the FTSE China A50 Index were to increase by 10% (31 December 2015: 10%) with all other variables held constant, this would increase the operating profit for the year by approximately RMB2,166,797,804 (31 December 2015: RMB1,823,245,894). Conversely, if the FTSE China A50 Index were to decrease by 10% (31 December 2015: 10%), this would decrease the operating profit for the year by an equal amount.

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

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

As at 30 June 2016 and 31 December 2015, interest rate risk arises only from bank balances. As the bank balances held by the Sub-Fund is short term in nature and the interest arising from these interest bearing assets are immaterial, the Manager considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. As a result, the Manager considers sensitivity analysis of interest rate risk is not necessary to be presented.

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-Fund is not exposed to currency risk arising from balances and transactions in foreign currencies as the majority of its assets and liabilities are denominated in RMB, the Sub-Fund's functional and presentation currency. As a result, Managers considers sensitivity analysis of currency risk is not necessary to be presented.

(b) Credit and counterparty risk

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

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

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

As at 30 June 2016, the Sub-Fund placed bank balances of RMB22,880,587 (31 December 2015: RMB110,734,726) with The Hong Kong and Shanghai Banking Corporation Limited ("HSBC"), which is the custodian of the Sub-Fund. The S&P credit rating of HSBC is A (31 December 2015: A).

As at 30 June 2016, the Sub-Fund placed bank balances of RMB140,558,766 (31 December 2015: RMB100,388,864) and investments of RMB21,667,978,035 (31 December 2015: RMB18,232,458,944) with HSBC Bank (China) Company Limited ("HSBC China"), which is the PRC custodian of the Sub-Fund. The Moody's credit rating of HSBC China is A1 (31 December 2015: A1).

The maximum exposure to credit risk as at 30 June 2016 and 31 December 2015 is the carrying amount of the financial assets as shown on the statement of financial position.

The Manager considers that none of assets are impaired nor past due as at 30 June 2016 and 31 December 2015.

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

8. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

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

The Sub-Fund is exposed to daily redemptions of units in the Sub-Fund. The Sub-Fund invests the majority of its assets in securities that are traded in an active market which can be readily disposed of.

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

	Less than 1 month <i>RMB</i>	1 month to less than 3 months <i>RMB</i>	Over 3 months <i>RMB</i>	Total <i>RMB</i>
As at 30 June 2016				
Management fee payable	17,616,535	-	-	17,616,535
Other accounts payable	-	12,565,065	412,312	12,977,377
	<u>17,616,535</u>	<u>12,565,065</u>	<u>412,312</u>	<u>30,593,912</u>
Contractual cash outflow	<u>17,616,535</u>	<u>12,565,065</u>	<u>412,312</u>	<u>30,593,912</u>
As at 31 December 2015				
Amounts due to participating dealers	50,270,324	-	-	50,270,324
Amounts due to brokers	45,247,158	-	-	45,247,158
Management fee payable	15,335,223	-	-	15,335,223
Other accounts payable	-	6,366,428	250,681	6,617,109
	<u>110,852,705</u>	<u>6,366,428</u>	<u>250,681</u>	<u>117,469,814</u>
Contractual cash outflow	<u>110,852,705</u>	<u>6,366,428</u>	<u>250,681</u>	<u>117,469,814</u>

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

8. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

Units are redeemed on demand at the unitholder's option. As at 30 June 2016, there were one (31 December 2015: two) unitholders holding more than 10% of the Sub-Fund's units.

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

	Less than 1 month <i>RMB</i>	1 to 12 months <i>RMB</i>	No stated maturity <i>RMB</i>	Total <i>RMB</i>
As at 30 June 2016				
Total assets	<u>21,130,373,307</u>	<u>542,482,286</u>	<u>159,951,678</u>	<u>21,832,807,271</u>
As at 31 December 2015				
Total assets	<u>17,457,520,112</u>	<u>13,191</u>	<u>990,581,622</u>	<u>18,448,114,925</u>

(d) Fair value estimation

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets (by class) measured at fair value at 30 June 2016 and 31 December 2015:

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 30 June 2016				
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	20,966,933,955	-	701,044,080	21,667,978,035
Total assets	<u>20,966,933,955</u>	<u>-</u>	<u>701,044,080</u>	<u>21,667,978,035</u>
As at 31 December 2015				
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	17,246,396,522	986,062,422	-	18,232,458,944
Total assets	<u>17,246,396,522</u>	<u>986,062,422</u>	<u>-</u>	<u>18,232,458,944</u>

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 30 June 2016, the Sub-Fund did not hold any investments classified as level 2 (As at 31 December 2015: one). Management has used best estimation and assessed all available information and considers that the last traded price is the best estimation of the fair value of level 2 investments as at 31 December 2015. As at 31 December 2015, one listed equity investment amounted to RMB986,062,422, represented 5.38% of the net asset value of the Sub-Fund, was suspended for trading due to voluntary business restructuring. The suspended equity investment of RMB 986,062,422 has been transferred from level 1 to level 2 and classified as level 2 investment as at 31 December 2015.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or do not trade. As at 30 June 2016, two (as at 31 December 2015: nil) listed equity investments amounted to RMB701,044,980 were suspended for trading due to voluntary corporation or business restructuring. One of the listed equity which was classified as level 2 investment as at 31 December 2015 amounted to RMB542,475,602 was suspended for trading and had resumed trading subsequent to the period end. The investment has been transferred from level 2 to level 3 investments. The market price of that listed equity after the trading was resumed had decreased 9.99% from the last traded price prior to its suspension. The other listed equity amounted to RMB 158,568,478 continued to be suspended for trading subsequent to the period end. The investment has been transferred from level 1 to level 3 investments. All of the two investments have been classified as level 3 investments as at 30 June 2016.

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

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

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

The following table presents the movement in level 3 investments for the period ended 30 June 2016.

	Equity Securities RMB
Opening balance 31 December 2015	-
Transfer from level 1 to level 3	200,738,939
Transfer from level 2 to level 3	986,062,422
Purchases	14,774,501
Sales	(12,095,337)
Net losses on investments	(488,436,445)
	<hr/>
Closing balance 30 June 2016	701,044,080
	<hr/> <hr/>
Changes in unrealised gains/losses for the period included in the statement of comprehensive income for investments held at the end of the period	(488,531,146)

Description	RMB	Valuation technique	Unobservable input	Weighted average input	% of NAV
As at 30 June 2016					
Equity security	158,568,478	Last transacted price with discount factor	Discount factor	10%	0.73%
Equity security	542,475,602	Last transacted price with discount factor	Discount factor	45%	2.49%

The assets and liabilities included in the condensed statement of financial position, other than financial assets and liabilities at fair value through profit or loss, are carried at amortised cost; their carrying value are approximation of fair value. There are no other assets and liabilities not carried at fair value but for which fair value is disclosed.

(e) Capital risk management

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

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

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

9. DISTRIBUTION

There is no distribution during the period ended 30 June 2016 and 30 June 2015.

10. FINANCIAL INSTRUMENTS BY CATEGORY

As of 30 June 2016 and 31 December 2015, other than investments as disclosed in the financial statements which are classified as the financial assets at fair value through profit or loss, all financial assets including deposit reserve, interest receivable and bank balances are categorised as loans and receivables and carried at amortised costs. All the financial liabilities of the Sub-Fund are carried at amortised cost.

The carrying value of the financial assets and liabilities are considered by the Manager to approximate their fair value as they are short term in nature and the effect of discounting is immaterial.

11. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

Pursuant to the SFC's Guidelines for Regulating Index Tracking Exchange Trade Funds (the "ETF Guidelines"), the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the underlying index, except where the weightings are exceeded as a result of changes in the composition of the underlying index and the excess is only transitional and temporary in nature.

The Manager and the Trustee have confirmed that the Sub-Fund has complied with this limit during the period/years ended 30 June 2016 and 31 December 2015.

There were no constituent securities that individually accounted for more than 10% of the net asset value of the Sub-Fund and their respective weightings of the FTSE China A50 Index as at 30 June 2016 and 31 December 2015.

During the period ended 30 June 2016, the FTSE China A50 net return index decreased by 12.20% while the net asset value per unit of the Sub-Fund decreased by 13.03%.

During the period from 1 January 2015 to 27 February 2015, the FTSE China A50 price return index decreased by 5.57% while the net asset value per unit of the Sub-Fund decreased by 5.32%. During the period from 27 February 2015 to 31 December 2015, the FTSE China A50 net return index increased by 0.52% while the net asset value per unit of the Sub-Fund decreased by 0.95%.

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

12. SOFT COMMISSION ARRANGEMENT

The Manager has entered into soft commission arrangements since 1 October 2015 with some brokers under which certain goods and services used to support investment decision making are obtained from third parties and are paid for by the brokers in consideration of transactions of the Sub-Fund directed to the brokers. These may include, for example, research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; clearing, registrar and custodial services and investment-related publication; computer hardware and software incidental to the above goods and services.

For the period ended 30 June 2016, the Manager confirms that there has been soft commission arrangement existing during the period in relation to directing transactions of the Sub-Fund through a broker or dealer.

13. SEGMENT INFORMATION

The Manager makes the strategic resource allocations on behalf of the Sub-Fund and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that the Sub-Fund has a single operating segment which is investing in securities. The objectives of the Sub-Fund are to track the performance of the FTSE China A50 Index and invest in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

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

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

The total of non-current assets of the Sub-Fund located in PRC in RMB1,383,200 (31 December 2015: RMB4,519,200). The Sub-Fund has no other assets classified as non-current assets. As at 30 June 2016 and 31 December 2015, the Sub-Fund has a diversified portfolio of investments and no single investment accounts for more than 10% of the Sub-Fund's net asset value.

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

As at 30 June 2016

	Holdings	Fair value RMB	% of net assets
Investments (99.38%)			
Listed Equities (99.38%)			
China (99.38%)			
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	231,527,540	740,888,128	3.40
BANK OF BEIJING CO LTD ORD CNY1 CL A	59,034,244	612,185,110	2.81
BANK OF CHINA LTD A SHS ORD CNY1	138,290,409	443,912,213	2.04
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	131,344,391	739,468,921	3.39
BYD CO LTD A SHRS ORD CNY1	3,072,628	187,461,034	0.86
CHINA CITIC BANK CORP A SHRS ORD CNY1	17,874,460	101,348,188	0.47
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	9,249,318	97,395,319	0.45
CHINA CONSTRUCTION BANK A SHS ORD CNY1	59,394,502	282,123,884	1.29
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	91,423,231	343,751,349	1.58
CHINA LIFE INSURANCE CO A SHS ORD NPV	9,564,087	199,124,291	0.91
CHINA MERCHANTS BANK A SHR ORD CNY1	77,661,161	1,359,070,318	6.23
CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD ORD CNY1	13,484,009	192,147,128	0.88
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	162,875,160	1,454,475,179	6.67
CHINA NATIONAL NUCLEAR POWER CO LTD A SHS ORD CNY1	25,532,459	174,386,695	0.80
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	16,530,343	446,980,475	2.05
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	62,698,671	295,937,727	1.36
CHINA RAILWAY GROUP LTD A ORD CNY1	36,684,868	255,693,530	1.17
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	18,114,422	180,419,643	0.83
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	12,984,386	182,690,311	0.84
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	57,828,967	366,057,361	1.68
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	78,736,085	418,875,972	1.92
CHINA VANKE CO LTD A SHR ORD CNY1	40,362,768	542,475,602	2.49
CITIC SECURITIES CO LTD A SHR ORD CNY1	50,997,817	827,694,570	3.80
CRRC CORP LTD A SHR ORD CNY1	51,155,150	469,092,726	2.15
DAQIN RAILWAY CO LTD A SHS ORD CNY1	34,943,457	225,035,863	1.03
GF SECURITIES CO LTD A SHR ORD CNY1	15,147,027	253,864,173	1.16
GOUSEN SECURITIES CO LTD	8,070,416	139,214,676	0.64
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	9,165,808	158,568,478	0.73
GUANGZHOU AUTOMOBILE GROUP CO LTD A SHRS ORD CNY1	2,216,000	52,053,840	0.24
GUOTAI JUNAN SECURITIES CO LTD A SHRS ORD NPV	10,005,994	178,006,633	0.82
HAITONG SECURITIES CO LTD CL A ORD CNY1	39,352,307	606,812,574	2.78
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	10,412,622	223,454,868	1.03

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

As at 30 June 2016

	Holdings	Fair value RMB	% of net assets
Investments (99.38 %) (Continued)			
Listed equities (99.38 %) (Continued)			
China (99.38 %) (Continued)			
HEDY HOLDING CO LTD A SHS ORD CNY1	2,700,500	44,585,255	0.20
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1	12,400,943	93,255,091	0.43
HUATAI SECURITIES CO LTD A SHS ORD CNY1	17,195,904	325,346,504	1.49
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	141,521,373	628,354,896	2.88
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	90,006,338	1,371,696,591	6.29
INNER MONGOLIAN BAOTOU STEEL UNION CO LTD A SHR ORD CNY1	53,410,534	152,754,127	0.70
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	1,884,805	135,555,176	0.62
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	2,967,231	866,194,074	3.97
MIDEA GROUP COMPANY LIMITED A SHR ORD NPV	17,213,096	408,294,637	1.87
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	3,694,936	149,275,414	0.69
PETROCHINA CO LTD A SHRS CNY1	26,560,666	192,033,615	0.88
PING AN BANK CO LTD A SHR ORD CNY1	47,317,550	411,662,685	1.89
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	60,415,231	1,935,704,001	8.88
SAIC MOTOR CORP LTD A SHR ORD CNY1	15,191,902	308,243,692	1.41
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	19,766,495	100,809,125	0.46
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	69,503,929	1,082,176,175	4.96
SHANGHAI RAAS BLOOD PRODUCTS CO LTD A SHR ORD CNY1	2,896,175	109,127,874	0.50
SHENWAN HONGYUAN GROUP CO LTD A SHRS ORD CNY1	27,294,425	229,546,114	1.05
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	11,457,000	372,696,210	1.71
		<hr/>	<hr/>
Total investments		21,667,978,035	99.38
Other net assets		134,235,324	0.62
		<hr/>	<hr/>
Net assets attributable to unitholders at 30 June 2016		21,802,213,359	100.00
		<hr/> <hr/>	<hr/> <hr/>
Total investments, at cost		22,449,509,034	
		<hr/> <hr/>	

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

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2016

	Holdings				
	1 January 2016	Additions	Corporate actions	Disposals	30 June 2016
Investments					
Listed equities					
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	175,668,007	109,773,733	-	53,914,200	231,527,540
BANK OF BEIJING CO LTD ORD CNY1 CL A	-	70,795,644	-	11,761,400	59,034,244
BANK OF CHINA LTD A SHS ORD CNY1	104,932,872	65,469,137	-	32,111,600	138,290,409
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	84,023,304	78,450,687	-	31,129,600	131,344,391
BYD CO LTD A SHRS ORD CNY1	2,021,628	1,715,500	-	664,500	3,072,628
CHINA CITIC BANK CORP A SHRS ORD CNY1	14,320,870	17,869,690	-	14,316,100	17,874,460
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	7,023,666	4,383,952	-	2,158,300	9,249,318
CHINA CONSTRUCTION BANK A SHS ORD CNY1	45,069,414	30,140,688	-	15,815,600	59,394,502
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	69,371,179	43,340,052	-	21,288,000	91,423,231
CHINA LIFE INSURANCE CO A SHS ORD NPV	7,254,318	6,487,369	-	4,177,600	9,564,087
CHINA MERCHANTS BANK A SHR ORD CNY1	58,923,347	44,040,714	-	25,302,900	77,661,161
CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD ORD CNY1	-	15,461,609	-	1,977,600	13,484,009
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	116,230,364	81,442,689	-	34,797,893	162,875,160
CHINA NATIONAL NUCLEAR POWER CO LTD A SHS ORD CNY1	19,570,895	13,633,264	-	7,671,700	25,532,459
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	12,546,562	8,825,981	-	4,842,200	16,530,343
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	47,572,414	29,656,057	-	14,529,800	62,698,671
CHINA RAILWAY GROUP LTD A ORD CNY1	27,830,695	17,444,373	-	8,590,200	36,684,868
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	13,742,304	8,603,518	-	4,231,400	18,114,422
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	9,854,422	8,698,164	-	5,568,200	12,984,386

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the period ended 30 June 2016

	Holdings				
	1 January 2016	Additions	Corporate actions	Disposals	30 June 2016
Investments (Continued)					
Listed equities (Continued)					
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	43,875,207	31,112,760	-	17,159,000	57,828,967
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	59,746,275	51,355,710	-	32,365,900	78,736,085
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	42,206,052	32,322,672	-	74,528,724	-
CHINA VANKE CO LTD A SHR ORD CNY1	40,362,768	-	-	-	40,362,768
CITIC SECURITIES CO LTD A SHR ORD CNY1	38,693,784	28,929,933	-	16,625,900	50,997,817
CRRC CORP LTD A SHR ORD CNY1	38,808,845	27,464,705	-	15,118,400	51,155,150
DAQIN RAILWAY CO LTD A SHS ORD CNY1	26,507,572	16,566,985	-	8,131,100	34,943,457
GF SECURITIES CO LTD A SHR ORD CNY1	11,497,827	7,122,300	-	3,473,100	15,147,027
GOUSEN SECURITIES CO LTD	6,124,716	3,782,800	-	1,837,100	8,070,416
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	8,981,608	792,600	-	608,400	9,165,808
GUANGZHOU AUTOMOBILE GROUP CO LTD A SHRS ORD CNY1	-	2,216,000	-	-	2,216,000
GUOTAI JUNAN SECURITIES CO LTD A SHRS ORD NPV	7,589,830	4,696,064	-	2,279,900	10,005,994
HAITONG SECURITIES CO LTD CL A ORD CNY1	29,855,608	22,696,199	-	13,199,500	39,352,307
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	5,262,315	4,174,300	2,673,307	1,697,300	10,412,622
HEDY HOLDING CO LTD A SHS ORD CNY1	-	1,565,450	1,350,250	215,200	2,700,500
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1	9,403,125	6,429,318	-	3,431,500	12,400,943
HUATAI SECURITIES CO LTD A SHS ORD CNY1	11,412,065	10,150,839	-	4,367,000	17,195,904
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	107,382,054	76,008,519	-	41,869,200	141,521,373

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the period ended 30 June 2016

	Holdings				
	1 January 2016	Additions	Corporate actions	Disposals	30 June 2016
Investments (Continued)					
Listed equities (Continued)					
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	56,906,721	59,990,117	-	26,890,500	90,006,338
INNER MONGOLIAN BAOTOU STEEL UNION CO LTD A SHR ORD CNY1	40,520,187	25,251,547	-	12,361,200	53,410,534
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	-	1,884,805	-	-	1,884,805
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	2,256,423	1,718,408	-	1,007,600	2,967,231
MIDEA GROUP COMPANY LIMITED A SHR ORD NPV	8,701,731	6,750,300	4,762,565	3,001,500	17,213,096
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	2,801,251	1,755,385	-	861,700	3,694,936
PETROCHINA CO LTD A SHRS CNY1	20,154,232	17,619,734	-	11,213,300	26,560,666
PING AN BANK CO LTD A SHR ORD CNY1	29,913,475	18,495,700	7,951,375	9,043,000	47,317,550
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	45,840,592	31,580,739	-	17,006,100	60,415,231
POWER CONSTRUCTION CORPORATION OF CHINA A SHRS ORD CNY1	15,749,266	9,745,381	-	25,494,647	-
SAIC MOTOR CORP LTD A SHR ORD CNY1	11,530,708	9,303,894	-	5,642,700	15,191,902
SHANGHAI ELECTRIC GRP CO LTD-A ORD NPV	10,794,753	2,421,301	-	13,216,054	-
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	15,000,101	9,340,594	-	4,574,200	19,766,495
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	49,220,504	34,299,886	6,318,539	20,335,000	69,503,929
SHANGHAI RAAS BLOOD PRODUCTS CO LTD A SHR ORD CNY1	2,170,708	1,322,067	-	596,600	2,896,175

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the year period 30 June 2016

	Holdings				30 June 2016
	1 January 2016	Additions	Corporate actions	Disposals	
Investments (Continued)					
Listed equities (Continued)					
SHENWAN HONGYUAN GROUP CO LTD A SHRS ORD CNY1	16,277,325	16,080,800	-	5,063,700	27,294,425
SUNING COMMERCE GROUP CO LTD A SHR ORD CNY1	18,748,261	4,265,600	-	23,013,861	-
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	-	11,457,000	-	-	11,457,000
ZHEJIANG ZHENENG ELECTRIC - A SHRS ORD CNY1	12,869,914	2,944,493	-	15,814,407	-
	<u>12,869,914</u>	<u>2,944,493</u>	<u>-</u>	<u>15,814,407</u>	<u>-</u>

**CSOP FTSE CHINA A50 ETF
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PERFORMANCE RECORD (Unaudited)

Net asset value

	Net asset value of the Sub-Fund <i>RMB</i>	Net asset value per unit <i>RMB</i>
At the end of financial period/year dated		
30 June 2016	21,802,213,359	9.2953
31 December 2015	18,330,645,111	10.6884
31 December 2014	30,196,914,185	11.3972

Highest and lowest net asset value per unit

	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
Financial period/year ended		
30 June 2016	10.2753	8.5007
31 December 2015	15.0028	8.6763
31 December 2014	11.3976	6.3961
31 December 2013	9.1469	6.8307
31 December 2012 (since 23 August 2012 (date of inception))	8.2890	6.9571

**CSOP FTSE CHINA A50 ETF
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