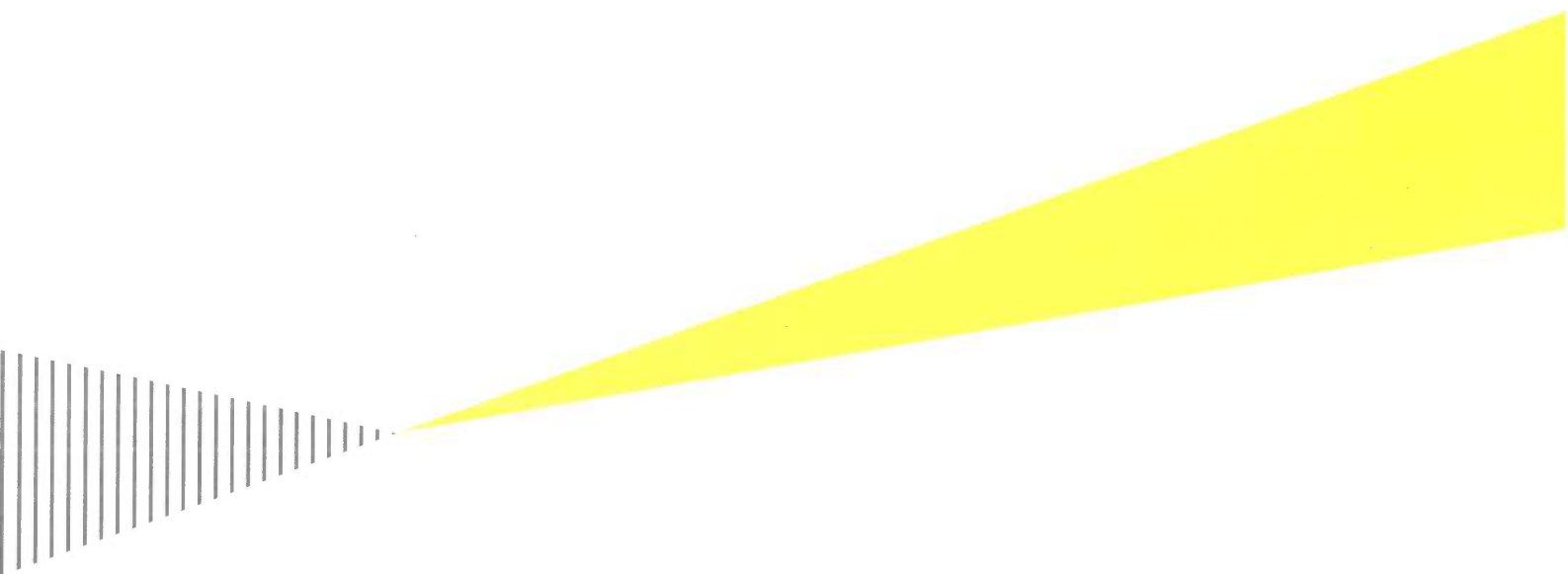


Annual Report

HAITONG ETF SERIES – HAITONG CSI300 INDEX ETF

(A sub-fund of the Haitong ETF series as an
umbrella unit trust under Hong Kong law)

31 December 2016



HAITONG CSI300 INDEX ETF
(A SUB-FUND OF HAITONG ETF SERIES)

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HAITONG CSI300 INDEX ETF
(A SUB-FUND OF HAITONG ETF SERIES)

MANAGEMENT AND ADMINISTRATION

Directors of the Manager

Lo Wai Ho
Yang Jianxin
Zhang Xinjun
Sun Tong (Appointed on 25 January 2017)
Zhang Yibin (Resigned on 25 January 2017)
Poon Mo Yiu (Resigned on 16 February 2016)

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Service Agent

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

Legal Advisers to the Manager

King & Wood Mallesons
13/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

RQFII Holder

Haitong International Holdings Limited
22/F., Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Manager

Hai Tong Asset Management (HK) Limited
22/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Auditor

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

Custodian

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

PRC Custodian

HSBC Bank (China) Company Limited
33/F, HSBC Building Shanghai IFC
8 Century Avenue, Pudong
Shanghai 200120, China

HAITONG CSI300 INDEX ETF
(A SUB-FUND OF HAITONG ETF SERIES)

MANAGEMENT AND ADMINISTRATION (continued)

Participating Dealers

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

China Merchants Securities (HK) Co., Limited
48/F, One exchange square, Central
Hong Kong

Credit Suisse Securities (Hong Kong) Limited
6/F, Alexandra House
18 Chater Road, Central
Hong Kong

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

Haitong International Securities Company Limited
22/F Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

KGI Securities (Hong Kong) Limited
41/F, Central Plaza,
18 Harbour Road, Wanchai
Hong Kong

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

(Terminated with effect from 31 October 2016)
Nomura International (Hong Kong) Limited
30/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

(Terminated with effect from 18 February 2016)
Standard Chartered Bank (Hong Kong) Limited
32/F, 4-4A Des Voeux Road, Central
Hong Kong

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

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

REPORT OF THE MANAGER TO THE UNITHOLDERS

Market Review

China's GDP growth rate for Year 2016 was expected to be 6.7% based on current market consensus and the overall economy continued to implement soft landing. Considering the external macroeconomic environment, the IMF cut global growth forecasts for 2016 by 0.1% to 3.1% as the global economic recovery remained muted after Brexit. A wave of economic, political and institutional uncertainties lay ahead amid already fragile market and investor confidence. Furthermore, international trade was still sluggish. All these factors impacted on the Chinese economy negatively.

At the start of the year, market turmoil occurred in the A-share market amid fears of an imminent hard landing in China, yuan depreciation and sizable capital outflows. But as the year progressed, the investor sentiment improved and the A-share market rebounded and fluctuated in a mild zone until the year end. The Shanghai Composite Index ended the year by falling 12.3%.

Overall, the whole economy of China remained stable in an increasingly uncertain global context. We believe that the Chinese government would continue to take stimulating economic measures and keep the monetary conditions accommodative. Maintaining reasonable growth and taking further structural reforms will be the most important directions in the next year.

Portfolio Review

In 2016, the Fund's NAV per unit decreased 11.84% (exclude dividends paid), and if including fund's dividends, the yield was -10.91%. The underlying index CSI300 generated a negative return of 11.28% during the same period. The annual tracking error of the fund for Year 2016 was 1.66%, including the impacts of fund's dividends and CGT adjustments.

Market Outlook

Looking into Year 2017, the Chinese yuan will continue to face the pressure of devaluation against dollar and the capital outflows will likely to maintain in the near future. According to analysts' median forecast by Bloomberg survey, the currency will end 2017 at 7.15. Though the external market uncertainties weigh on stocks this year, the volatility risk of the China's A-share market will be median. Reducing the leverage of the A-share market will further help the market to develop in a stabilizing pace.

Generally speaking, we hold an optimistic view towards 2017 that the Chinese economic and structural reforms will be strengthened and the economy will show fresh signs of strength, from increased business confidence to an expansionary factory gauge. Sub-sectors such as consumer services, logistics and information technology etc., will maintain rapid growth. We believe that monetary policy will remain loose, this will help to ease social average cost of financing, benefit corporate management, and support financial assets valuation at the same time.



Hai Tong Asset Management (HK) Limited

20 APR 2017

HAITONG CSI300 INDEX ETF
(A SUB-FUND OF HAITONG ETF SERIES)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, Hai Tong Asset Management (HK) Limited, the Manager of Haitong CSI300 Index ETF, a Sub-Fund of Haitong ETF Series has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 13 December 2013 for the year ended 31 December 2016.



.....
HSBC Institutional Trust Services (Asia) Limited
20 APR 2017

HAITONG CSI300 INDEX ETF
(A SUB-FUND OF HAITONG ETF SERIES)

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

Manager's Responsibilities

The Manager of the Haitong CSI300 Index ETF, a Sub-Fund of Haitong 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 13 December 2013 (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.

Haitong ETF Series (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 December 2016, the Trust has established one Sub-Fund, namely the Haitong CSI300 Index ETF.

Trustee's Responsibilities

The Trustee of the Sub-Fund is required to:

- ensure that the Sub-Fund in all material respects is managed 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 should the Manager not managing the Sub-Fund in accordance to the Trust Deed.

Independent auditor's report

To the unitholders of Haitong CSI300 Index ETF
(a sub-fund of Haitong ETF Series)

Opinion

We have audited the financial statements of Haitong CSI 300 Index ETF (a sub-fund of Haitong ETF Series (the "Trust")) and referred to as the "Sub-Fund") set out on pages 11 to 42, which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders, the statement of cash flows and the statement of distribution for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. 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 of the Trust (the "Trust Deed") and the disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission of Hong Kong (the "SFC Code"). We are independent of the Sub-Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent auditor's report (continued)

To the unitholders of Haitong CSI300 Index ETF
(a sub-fund of Haitong ETF Series)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of financial assets at fair value through profit or loss	
<p>As at 31 December 2016, the financial assets at fair value through profit or loss represented the majority of the net asset value of the Sub-Fund. These financial assets were listed shares in the Shanghai Stock Exchange or the Shenzhen Stock Exchange, comprising of approximate 300 constituent listed shares of CSI 300 Index. They were kept by one custodian and measured at fair value. Furthermore, as at 31 December 2016, equity investments amounting to RMB6,542,856 were suspended shares which represented 2.8% of the net asset value of the Sub-Fund. We focused on this area because the financial assets at fair value through profit or loss represented the principal element of the financial statements and the significant assumptions and judgement involved in measuring the fair value of the suspended shares.</p>	<p>We obtained independent confirmation from the custodian and counterparties of the investment portfolio held at 31 December 2016, agreeing the quantities held to the accounting records. We tested the design and operating effectiveness of controls for the valuation of financial instruments. In addition, we checked the valuation of the financial assets at fair value through profit or loss that are quoted in active markets by independently agreeing the valuation of financial assets to third party vendor sources such as Reuters or Bloomberg at 31 December 2016.</p> <p>For suspended shares whose quoted price cannot be obtained, we evaluated the valuation techniques and inputs applied through comparison with the valuation techniques that are commonly used in the market and the validation of observable inputs using external market data. In addition, we evaluated the assumptions made by the management and reviewed the financial statement disclosures regarding fair value hierarchy as set out in the note 9 to the financial statements.</p>

Other information included in the Annual Report

The Trustee and the Manager are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Independent auditor's report (continued)

To the unitholders of Haitong CSI300 Index ETF
(a sub-fund of Haitong ETF Series)

Other information included in the Annual Report (continued)

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee and the Manager for the financial statements

The Trustee and the Manager are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, 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.

In preparing the financial statements, the Trustee and the Manager of the Sub-Fund are responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee and the Manager either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Trustee and the Manager are required to ensure that the financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed dated 13 December 2013 and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds (the "SFC Code") issued by the Hong Kong Securities and Futures Commission.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

Independent auditor's report (continued)

To the unitholders of Haitong CSI300 Index ETF
(a sub-fund of Haitong ETF Series)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee and the Manager.
- Conclude on the appropriateness of the Trustee and the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee and the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Trustee and the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Trustee and the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report (continued)

To the unitholders of Haitong CSI300 Index ETF
(a sub-fund of Haitong ETF Series)

Report on matters under the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code

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

The engagement partner on the audit resulting in this independent auditor's report is Kwong Chun Kit.



Certified Public Accountants
Hong Kong

20 APR 2017

HAITONG CSI300 INDEX ETF
(A SUB-FUND OF HAITONG ETF SERIES)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	2016 RMB	2015 RMB
INCOME			
Dividend income		5,858,475	8,519,110
Interest income		15,749	28,131
Other income		246,762	1,201,017
		<u>6,120,986</u>	<u>9,748,258</u>
EXPENSES			
Management fee	5(a)	(1,581,563)	(3,024,110)
Trustee fee	5(a)	(478,128)	(745,625)
Brokerage and other transaction fees		(169,437)	(587,029)
Legal and professional fee		(343,432)	(561,151)
Auditor's remuneration		(204,232)	(131,529)
Registrar fee	5(a)	(840)	(3,120)
Other expenses		(711,621)	(1,037,529)
		<u>(3,489,253)</u>	<u>(6,090,093)</u>
PROFIT BEFORE INVESTMENT (LOSS)/GAIN AND EXCHANGE DIFFERENCES		2,631,733	3,658,165
INVESTMENT (LOSS)/GAIN AND EXCHANGE DIFFERENCES			
Net realised gains on financial assets at fair value through profit or loss		2,253,446	191,842,830
Net change in unrealised losses on financial assets at fair value through profit or loss		(51,184,320)	(158,741,848)
Foreign exchange differences, net		215	(66,802)
		<u>(48,930,659)</u>	<u>33,034,180</u>
(LOSS)/PROFIT BEFORE TAX		(46,298,926)	36,692,345
Withholding tax (expense)/credit	7	(610,630)	3,432,797
(LOSS)/PROFIT AFTER TAX AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(46,909,556)</u>	<u>40,125,142</u>

HAITONG CSI300 INDEX ETF
(A SUB-FUND OF HAITONG ETF SERIES)

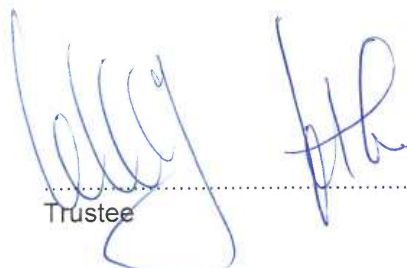
STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	2016 RMB	2015 RMB
ASSETS			
Financial assets at fair value through profit or loss	9	228,670,555	376,255,688
Deposit reserve - China Exchange Clearing		380,800	380,800
Prepayments and other receivables		25,956	24,406
Cash and bank balances	10	2,333,943	3,098,363
TOTAL ASSETS		<u>231,411,254</u>	<u>379,759,257</u>
LIABILITIES			
Management fee payable	5(a)	116,455	191,825
Trustee fee payable	5(a)	38,993	48,156
Other payables and accruals		567,656	565,520
TOTAL LIABILITIES		<u>723,104</u>	<u>805,501</u>
EQUITY			
Net assets attributable to unitholders	11	<u>230,688,150</u>	<u>378,953,756</u>
TOTAL LIABILITIES AND EQUITY		<u>231,411,254</u>	<u>379,759,257</u>
 Number of units in issue	11	<u>19,000,000</u>	<u>27,500,000</u>
 Net asset value per unit	11	<u>12.1415</u>	<u>13.7801</u>



Manager



Trustee

HAITONG CSI300 INDEX ETF
(A SUB-FUND OF HAITONG ETF SERIES)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2016

	Note	RMB
Net assets attributable to unitholders at 1 January 2015		696,911,314
Subscription of units		110,872,900
Redemption of units		(465,055,600)
Profit after tax and total comprehensive income for the year		40,125,142
Distributions to unitholders	8	(3,900,000)
Net assets attributable to unitholders at 31 December 2015 and 1 January 2016		<u>378,953,756</u>
Redemption of units		(98,756,050)
Loss after tax and total comprehensive income for the year		(46,909,556)
Distributions to unitholders	8	(2,600,000)
Net assets attributable to unitholders at 31 December 2016		<u><u>230,688,150</u></u>

HAITONG CSI300 INDEX ETF
(A SUB-FUND OF HAITONG ETF SERIES)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	Notes	2016 RMB	2015 RMB
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(46,298,926)	36,692,345
Adjustments for:			
Dividend income		(5,858,475)	(8,519,110)
Interest income		(15,749)	(28,131)
Decrease in financial assets at fair value through profit or loss		147,585,133	310,328,246
Decrease in amounts due from participating dealers		-	758,859
Decrease in amounts due from a broker		-	779,797
Increase in deposit reserve - China Exchange Clearing		-	(44,800)
(Increase)/decrease in prepayments and other receivables		(1,553)	1,974
Decrease in amounts due to a participating dealer		-	(1,083,392)
Decrease in management fee payable		(75,370)	(241,341)
Decrease in trustee fee payable		(9,163)	(56,532)
Increase in other payables and accruals		2,136	241,051
Cash from operations		95,328,033	338,828,966
Dividend received		5,858,475	8,519,110
Interest received		15,752	36,191
Tax paid		(610,630)	(2,049,820)
Net cash flows from operating activities		100,591,630	345,334,447
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units		-	110,872,900
Payments on redemption of units		(98,756,050)	(575,802,848)
Distributions paid to unitholders	8	(2,600,000)	(3,900,000)
Net cash flows used in financing activities		(101,356,050)	(468,829,948)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(764,420)	(123,495,501)
Cash and cash equivalents at the beginning of the year		3,098,363	126,593,864
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		2,333,943	3,098,363
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash at banks	10	2,333,943	3,098,363

HAITONG CSI300 INDEX ETF
(A SUB-FUND OF HAITONG ETF SERIES)

STATEMENT OF DISTRIBUTION

For the year ended 31 December 2016

	Note	2016 RMB	2015 RMB
Undistributed income at the beginning of year		-	-
(Loss)/profit after tax and total comprehensive income for the year		(46,909,556)	40,125,142
Add: Net change in unrealised gains or losses on financial assets at fair value through profit or loss		51,184,320	158,741,848
Undistributed income before distribution		4,274,764	198,866,990
Distributions distributed on 5 September 2016, RMB0.13 per unit (2015: 5 August 2015, RMB0.12 per unit)	8	(2,600,000)	(3,900,000)
Transfer to capital	8	(1,674,764)	(194,966,990)
Undistributed income at the year end		-	-

The amount available for distribution is the total net amount receivable by the Sub-Fund in respect of the relevant period ("Total Income") minus any expenses chargeable against income, subject to adjustments made in accordance with the Trust Deed. Total Income would include an amount receivable by way of interests (e.g., generated from bank deposits and debt securities), or other receipts as determined by the Manager to be in the nature of income. Capital gains or losses, whether realised or unrealised, do not form part of Total Income and therefore would not impact on the amount available for distribution.

HAITONG CSI300 INDEX ETF
(A SUB-FUND OF HAITONG ETF SERIES)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

1. THE TRUST

Haitong ETF Series (the "Trust") is an umbrella unit trust governed by its trust deed dated 13 December 2013 (the "Trust Deed") between Hai Tong Asset Management Hong Kong Limited (the "Manager") and HSBC Institutional Trust Services Asia Limited (the "Trustee"). The Trust Deed is governed by Hong Kong law. The Trust 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, Haitong CSI300 Index ETF (the "Sub-Fund"). The date of inception of the Sub-Fund is 5 March 2014. The Sub-Fund is listed on the Hong Kong Stock Exchange (the "HKEx"). The stock codes for RMB counter is 82811 and HK counter is 02811.

The investment objective of the Sub-Fund is to provide investment results, before the deduction of fees and expenses that closely correspond to the performance of an underlying index namely the CSI 300 Index (the "Index"). In order to achieve the investment objective of the Sub-Fund, the Manager adopts a full replication strategy by directly investing all, or substantially all of the assets of the Sub-Fund in Index Securities constituting the Index in substantially the same weighting as the index securities have in the Index. The Sub-Fund will not invest in securities that are not Index Securities.

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

The Sub-Fund obtains exposure to securities issued within the PRC through the RQFII quota of Haitong International Holdings Limited, the holding company of the Manager (the "RQFII Holder"). As at 31 December 2016, the RQFII quota of Haitong International Holdings Limited approved by the SAFE was RMB10.7 billion (2015: RMB10.7 billion).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

2.1 BASIS OF PREPARATION

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards 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 SFC Code.

The financial statements have been prepared on the historical cost basis, except for financial assets classified at fair value through profit or loss that have been measured at fair value. The financial statements are presented in RMB and all values are rounded to the nearest RMB except where otherwise indicated.

2.2 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective 1 January 2016:

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 Presentation of Financial Statement clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- the materiality requirement in IAS 1;
- that specific line items in the statement of profit or loss and other comprehensive income and the statement of financial position may be disaggregated;
- that entities have flexibility as to the order in which they present the notes to financial statements; and
- that the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to statement of profit or loss and other comprehensive income.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss and other comprehensive income. These amendments do not have any significant impact on the Sub-Fund.

NOTES TO THE FINANCIAL STATEMENTS

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2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Sub-Fund has not applied the following new and revised IFRSs that have been issued but are not yet effective, in these financial statements.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for the financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The Sub-Fund expects to adopt IFRS 9 on 1 January 2018 and is currently assessing the impact of the standard.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 *Statement of Cash Flows* are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosure provided by the Sub-Fund. The Sub-Fund is currently assessing the impact of IAS 7 and plans to adopt the new standard on the required effective date.

NOTES TO THE FINANCIAL STATEMENTS

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(i) *Classification*

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

Financial assets at fair value through profit or loss

The Sub-Fund classifies all of its investments as financial assets held for trading.

Financial assets held for trading: financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes equity securities. These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

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 interest receivable on debt securities, interest receivable on bank deposits and other receivables.

Other financial liabilities

This category includes all financial liabilities other than those classified as held for trading. The Sub-Fund includes in this category amounts relating to management fee payable, trustee fee payable and other short-term payables.

(ii) *Recognition*

The Sub-Fund recognises a financial asset or a financial liability when, and only 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 marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Sub-Fund commits to purchase or sell the 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.

Loans and receivables and financial liabilities (other than those classified as financial assets at fair value through profit or loss) are measured initially at their fair value and net of directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(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 or 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 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.

(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 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, cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price, without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market.

For all other financial instruments not traded in an active market, the fair value is determined by using the last traded price or valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (e.g. Price to Earnings Ratio) and income approach.

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 reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Sub-Fund assesses at each reporting date 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.

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 profit or loss.

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

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits in banks 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.

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 where applicable.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

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; or
- (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) the 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 unit holders.

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 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 profit or loss and other comprehensive income on the purchase, sale, issuance or cancellation of the Sub-Fund's own equity instruments.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 taxes, which are disclosed separately in profit or loss.

Interest income and expenses

Interest income and expenses are recognised in the statement of profit or loss and other comprehensive income as they accrue 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 unrealised gains and losses for financial instruments which were realised in the reporting period.

Net realised gains or losses on disposals of financial instruments

Net realised gains or 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 reporting date. Differences arising on settlement or transaction of monetary items are recognised in profit or loss.

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 determined.

Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in profit or loss as part of the "net gain or loss on financial assets and liabilities at fair value through profit or loss".

NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 HKEx 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.

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. No distribution will be paid out of the Sub-Fund's capital.

Taxes

The Sub-Fund is exempt from all forms of taxation in Hong Kong, including income, capital gains and withholding taxes. However, in some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment income in profit or loss. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

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 Sub-Fund 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 group of which it is a part, provides key management personnel services to the Sub-Fund or to the parent of the Sub-Fund.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Sub-Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and the 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 management 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 resources to continue in business for the foreseeable future. Furthermore, management 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.

5. TRANSACTIONS WITH THE TRUSTEE, 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, 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 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 the Connected Persons except for those disclosed below.

(a) Fees

Management fee

The Manager is entitled to receive management fee of up to 2% per annum of the net asset value of the Sub-Fund. The management fee is currently at a rate of 0.6% per annum with respect to the net asset value of the Sub-Fund calculated and accrued on each valuation day and are paid monthly in arrears.

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

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

The Trustee shall also be entitled to be reimbursed out of the assets of the Sub-Fund all out-of-pocket expenses incurred.

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NOTES TO THE FINANCIAL STATEMENTS

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

(a) Fees (continued)

Registrar fee

The Trustee, acting as the Registrar, is also entitled to receive a registrar fee of RMB120 per participating dealer per transaction for updating the register record of the Sub-Fund and an administrative transaction fee of RMB18,000 (2015: RMB18,000) per participating dealer per transaction for handling any cash creation and redemption of units of the Sub-Fund.

(b) Bank deposits and investments held by the trustee's affiliates

The investments and bank balances deposited with the affiliates of the Trustee are summarised below.

As at 31 December 2016

	Note	RMB
<u>Investments</u>		
HSBC Bank (China) Company Limited ("HSBC China")		<u>228,670,555</u>
<u>Bank balances</u>		
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	10	84,824
HSBC Bank (China) Company Limited ("HSBC China")	10	2,249,119
		<u>2,333,943</u>

As at 31 December 2015

	Note	RMB
<u>Investments</u>		
HSBC Bank (China) Company Limited ("HSBC China")		<u>376,255,688</u>
<u>Bank balances</u>		
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	10	108,127
HSBC Bank (China) Company Limited ("HSBC China")	10	2,990,236
		<u>3,098,363</u>

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

(c) Holdings in the Sub-Fund

The Manager and the Trustee entered into a Participating Agreement with Participating Dealers to effect applications for creation and redemption of the Sub-Fund. The creation and redemption transactions and holdings in the Sub-Fund by the Connected Persons of the Manager as at 31 December 2016 and 31 December 2015 were as follows:

Haitong International Securities Company Limited is a fellow subsidiary of the Manager.

	Units outstanding at 1 January 2016	Units subscribed/ transferred in	Units redeemed/ transferred out	Total RMB 31 December 2016
Haitong International Securities Company Limited	-	1,500,000	(1,500,000)	-

	Units outstanding at 1 January 2015	Units subscribed/ transferred in	Units redeemed/ transferred out	Total RMB 31 December 2015
Haitong International Securities Company Limited	1,500,000	15,500,000	(17,000,000)	-

(d) Investment transactions with Connected Persons of the Manager

The following table shows an analysis of the Sub-Fund's transactions executed with Haitong Securities Company Limited, the ultimate holding company during the year ended 31 December 2016 and 2015.

	Aggregate value of transactions executed	Total commission paid	% of total transactions of the Sub-Fund	Average rate of commission of the Sub-Fund
2016 Haitong Securities Company Limited	-	-	-	-
2015 Haitong Securities Company Limited	436,273,864	349,336	51.78	0.08%

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6. SOFT COMMISSION ARRANGEMENTS

The Manager and its Connected Persons may enter into soft commission arrangements with brokers under which certain goods and services used to support investment decision making will be received. The Manager and its Connected Persons will not make direct payment for these services but will transact an agreed amount of business with the brokers on behalf of the Sub-Fund and commission will be paid on these transactions.

The goods and services must be of demonstrable benefit to the Sub-Fund and may include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis and data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications.

The Manager had not participated in any soft dollar arrangements in respect of any transactions for the accounts of the Sub-Fund for the year ended 31 December 2016 (2015: Nil).

7. TAXATION

Hong Kong Profits Tax

No provision for Hong Kong profits tax has been made for the Sub-Fund. The Sub-Fund is authorised by the SFC as a collective investment scheme pursuant to Section 104 of the SFC to offer to the retail public in Hong Kong. It is exempted from Hong Kong Profits Tax under Section 26A (1A) of the Hong Kong Inland Revenue Ordinance.

PRC Tax

Under PRC laws and regulations, foreign investors (such as the Sub-Fund) may be subject to a 10% withholding tax on income (such as dividend and interest) imposed on securities issued by PRC tax resident enterprises. The withholding tax on interest income for the year ended 31 December 2016 was RMB1,574 (2015: RMB2,779).

Distribution Tax

A 10% PRC withholding tax has been levied on dividend and interest payments from PRC companies to foreign investors. As such, the RQFII holder will pass on this tax liability to the Sub-Fund in the form of distribution tax and therefore the Sub-Fund is subject to a distribution tax of 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 for the year ended 31 December 2016 was RMB609,056 (2015: RMB900,362).

Capital Gains Tax

In view of 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 (the "Notice") issued by 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"), the Sub-Fund has reversed all prior year provision for gross unrealised capital gains derived on disposal of A-Shares. With effect from 17 November 2014, no withholding tax is made by the Sub-Fund for capital gains derived on disposal of all A-Shares. The PRC withholding tax of RMB1,146,679 in relation to the period up to 17 November 2014 was paid by the Sub-Fund in 2015.

There was no capital gains tax charged for the year ended 31 December 2016 (2015: capital gains tax credit of RMB4,335,938).

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8. DISTRIBUTIONS

The distributions made by the Sub-Fund for the years are as follows:

	2016 RMB	2015 RMB
Distribution of RMB0.13 per unit made on 5 September 2016	2,600,000	-
Distribution of RMB0.12 per unit made on 5 August 2015	-	3,900,000

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.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The fair value of financial assets traded in active markets is based on quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Sub-Fund is the current traded price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The following table shows an analysis of the Sub-Fund's financial assets measured at fair value at 31 December 2016 and 31 December 2015:

At 31 December 2016

	Quoted prices in active markets Level 1 RMB	Significant observable inputs Level 2 RMB	Significant unobservable inputs Level 3 RMB	Total RMB
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	222,127,699	4,067,636	2,475,220	228,670,555

At 31 December 2015

	Quoted prices in active markets Level 1 RMB	Significant observable inputs Level 2 RMB	Significant unobservable inputs Level 3 RMB	Total RMB
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	353,976,409	10,135,331	12,143,948	376,255,688

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9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

When fair values of listed equity securities at the reporting date are based on quoted market prices or binding dealer price quotations, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

During the years ended 31 December 2016 and 2015, there have been transfers of investments between Level 1 and Level 2, between Level 1 and Level 3 and between Level 2 and Level 3 due to suspension of trading.

Transfers between Level 1 and Level 2

As at 31 December 2016, the Sub-Fund reclassified four listed equity securities, amounted to RMB2,229,266, under the Level 2 financial instruments due to suspension. These listed equity securities were temporarily suspended from trading as at 31 December 2016 and resumed trading before the date of authorisation of the financial statements for the year ended 31 December 2016.

As at 31 December 2015, the Sub-Fund reclassified nine listed equity securities, amounted to RMB8,815,211, under the Level 2 financial instruments due to suspension. These listed equity securities were temporarily suspended from trading as at 31 December 2015 and resumed trading before the date of authorisation of the financial statements for the year ended 31 December 2015.

The transfer between Level 1 and Level 2 of the fair value hierarchy is deemed to have occurred at the end of the reporting period.

Transfers between Level 1 and Level 3

As at 31 December 2016, the Sub-Fund reclassified five listed equity securities, amounted to RMB2,475,220, under the Level 3 financial instruments due to suspension. These listed equity securities were suspended from trading as at 31 December 2016 and were still suspended from trading during the period between the end of the reporting period (i.e. 31 December 2016) and the date of authorisation of the Sub-Fund's financial statements for the year ended 31 December 2016.

As at 31 December 2015, the Sub-Fund reclassified five listed equity securities, amounted to RMB12,143,948, under the Level 3 financial instruments due to suspension. These listed equity securities were suspended from trading as at 31 December 2015 and were still suspended from trading during the period between the end of the reporting period (i.e. 31 December 2015) and the date of authorisation of the Sub-Fund's financial statements for the year ended 31 December 2015. As at 31 December 2016, five of these listed equity securities have been reclassified to Level 1 due to the resumption of trading in 2016.

The transfer between Level 1 and Level 3 of the fair value hierarchy is deemed to have occurred at the end of the reporting period.

Transfers between Level 2 and Level 3

As at 31 December 2016, one of the listed equity securities was temporarily suspended from trading and resumed trading before the authorisation of the financial statements for the year ended 31 December 2016. As at 31 December 2016, the listed equity security has been reclassified from Level 3 to Level 2.

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9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Transfer between Level 2 and Level 3 (continued)

As at 31 December 2015, one of the listed equity securities was temporarily suspended from trading and resumed trading before the authorisation of the financial statements for the year ended 31 December 2015. As at 31 December 2015, the listed equity security has been reclassified from Level 3 to Level 2.

The transfer between Level 2 and Level 3 of the fair value hierarchy is deemed to have occurred at the end of the reporting period.

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 traded prices.

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 traded 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 resumption which is within a reasonable time and the price fluctuation when the investments resume trading subsequent to the year end date. 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 trading 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 the year end date, 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 that suspended investments since the suspension date. 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 the suspended investments is performed on a quarterly basis by the Management 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 more 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 chosen method. There were no changes in valuation techniques during the year.

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9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Quantitative information of significant unobservable inputs - Level 3

Description	RMB	Valuation techniques	Unobservable Input
<u>As at 31 December 2016</u>			
Equity securities	2,475,220	Index Return Method/ Last traded price	Return on relevant industry index
<u>As at 31 December 2015</u>			
Equity securities	12,143,948	Index Return Method	Return on relevant industry index

The following table demonstrates the sensitivity of the fair value of investments as at the end of the reporting period to a reasonably possible change in the forecast earnings per share, with all other variables held constant.

<u>As at 31 December 2016</u>		Change in return of the index used	Effect on the fair value of investment RMB	Effect on the net assets attributable to unitholders RMB
Description	Input			
Equity securities	CSI 300 Index	5%	97,300	97,300
	CSI 300 Index	-5%	(97,300)	(97,300)
<u>As at 31 December 2015</u>		Change in return of the index used	Effect on the fair value of investment RMB	Effect on the net assets attributable to unitholders RMB
Description	Input			
Equity securities	CSI 300 Index	5%	607,000	607,000
	CSI 300 Index	-5%	(607,000)	(607,000)

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9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Level 3 reconciliation

The following table shows a reconciliation of all movements in financial assets designated as at fair value through profit or loss categorised within Level 3 for the years ended 31 December 2016 and 2015.

	2016 RMB	2015 RMB
1 January	12,143,948	4,451,601
Transfer out of Level 3	(12,143,948)	(4,451,601)
Transfer into Level 3	2,475,220	12,143,948
31 December	<u>2,475,220</u>	<u>12 143,948</u>
Total (losses)/gains for the year included in profit or loss for assets held at the end of the year	<u>(972,307)</u>	<u>5,228,862</u>

10. CASH AND CASH EQUIVALENTS

The cash at banks is with HSBC and HSBC China, affiliate companies of the Trustee, the custodian and the PRC custodian of the Sub-Fund. The bank account with HSBC China is an interest bearing account. The carrying amount of the cash at banks approximates to its fair value.

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

	2016 Units	2015 Units
Number of units in issue at the beginning of the year	27,500,000	54,000,000
Units issued	-	7,500,000
Units redeemed	(8,500,000)	(34,000,000)
Number of units in issue at the end of the year	<u>19,000,000</u>	<u>27,500,000</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.

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

Units are denominated in a base currency 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 will be 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 as determined for the purposes of processing unit subscriptions and redemptions is provided below:

	At 31 December 2016 RMB	At 31 December 2015 RMB
Net assets attributable to unitholders (Note)	231,508,830	380,153,209
Recognition of preliminary expenses (Note)	(820,680)	(1,199,453)
Net assets attributable to unitholders (per financial statements)	<u>230,688,150</u>	<u>378,953,756</u>

Note:

The net assets are calculated in accordance with the explanatory memorandum where preliminary expenses are capitalised and to be amortised over the first five years of the operation of the Sub-Fund, while the net assets as reported in the audited financial statements, the preliminary expenses are expensed as incurred, as required under IFRSs.

	Net assets per unit RMB	Net assets per unit (per financial statements) RMB
Net assets attributable to unitholders per unit at 31 December 2016	<u>12.1847</u>	<u>12.1415</u>
Net assets attributable to unitholders per unit at 31 December 2015	<u>13.8238</u>	<u>13.7801</u>

NOTES TO THE FINANCIAL STATEMENTS

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12 INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

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 weightings are exceeded as a result of changes in the composition of the 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 year.

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 CSI 300 Index as at 31 December 2016 and 31 December 2015.

13. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

Risk management

The Sub-Fund's objective in managing risk is the creation and protection of unitholders value. Risk is inherent in the Sub-Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Sub-Fund's continuing profitability. 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.

The Sub-Fund's Manager is responsible for identifying and controlling risks. The board of directors of the Manager supervises the Manager and is ultimately responsible for the overall risk management approach within the Sub-Fund.

The Sub-Fund itself is subject to various risks. The main risks associated with the investments, assets and liabilities of the Sub-Fund are set out below:

(a) Market risk

Market price risk is the risk that the value of a 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.

(i) Equity price risk

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

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

Risk management (continued)

(a) Market risk (continued)

(i) Equity price risk (continued)

When there are changes in the constituent A-Shares comprising 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 the selected constituent companies of the Index.

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

	31 December 2016		31 December 2015	
	Fair value	% of net asset value	Fair value	% of net asset value
	RMB	RMB	RMB	RMB
A-Shares holdings				
By sectors				
Consumer Discretionary	25,609,988	11.10	46,037,262	12.15
Consumer Staples	13,534,143	5.87	23,416,056	6.17
Energy	5,621,160	2.44	9,977,715	2.63
Financials	92,994,687	40.31	149,383,882	39.39
Health Care	10,731,995	4.65	15,718,452	4.16
Industrials	37,437,707	16.23	64,543,623	17.06
Information Technology	19,475,124	8.44	24,107,872	6.37
Materials	13,197,706	5.72	20,312,748	5.35
Telecommunication Services	3,821,722	1.66	8,505,049	2.24
Utilities	6,246,323	2.71	14,253,029	3.77
	<u>228,670,555</u>	<u>99.13</u>	<u>376,255,688</u>	<u>99.29</u>

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

As at 31 December 2016, if the CSI300 Index were to increase by 10% (2015: 10%) with all other variables held constant, this would increase the profit before tax of the Sub-Fund for the year by approximately RMB22,867,056 (2015: RMB37,625,569). Conversely, if the CSI300 Index were to decrease by 10%, this would decrease the operating profit for the year by an approximately equal amount.

NOTES TO THE FINANCIAL STATEMENTS

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

Risk management (continued)

(a) Market risk (continued)

(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 a significant amount of risk due to fluctuations in the prevailing level of market interest rate. As the financial instruments of the Sub-Fund are predominately listed equities, which are non-interest bearing, the Manager considers that the exposure to the changes in the fair value in the event of a change in market interest rates is not significant. Therefore, no sensitivity analysis is presented.

The Sub-Fund also has an interest bearing bank deposit with HSBC China. As the bank deposit is on demand, the Manager considers the movement in interest rates will have an insignificant cash flow impact on daily net assets attributable to unitholders. Therefore, no sensitivity analysis of interest on the bank deposit 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.

100% of the Sub-Fund's sales and purchases are denominated in the Sub-Fund's functional currency. Assets and liabilities held by the Sub-Fund are mainly denominated in RMB, the functional currency of the Sub-Fund. 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 brokers. 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 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 Moody's:

NOTES TO THE FINANCIAL STATEMENTS

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

Risk management (continued)

(b) Credit and counterparty risk (continued)

	RMB	Credit rating	Source of credit rating
<u>As at 31 December 2016</u>			
<u>Banks</u>			
The Hong Kong and Shanghai Banking Corporation Limited ("HSBC")	84,824	Aa2	Moody's
HSBC Bank (China) Company Limited ("HSBC China")	2,249,119	A1	Moody's
<u>PRC Custodian</u>			
HSBC Bank (China) Company Limited ("HSBC China")	228,670,555	A1	Moody's
	RMB	Credit rating	Source of credit rating
<u>As at 31 December 2015</u>			
<u>Banks</u>			
The Hong Kong and Shanghai Banking Corporation Limited ("HSBC")	108,127	A1	Moody's
HSBC Bank (China) Company Limited ("HSBC China")	2,990,236	A1	Moody's
<u>PRC Custodian</u>			
HSBC Bank (China) Company Limited ("HSBC China")	376,255,688	A1	Moody's

The Sub-Fund's maximum exposure to credit risk as at 31 December 2016 and 2015 is the carrying amount of the financial assets as shown on the statement of financial position.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Sub-Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Sub-Fund could be required to pay its liabilities or redeem its units earlier than expected. The Sub-Fund is exposed to daily cash redemptions of its redeemable units. Units are redeemable at the holder's option based on the Sub-Fund's net asset value per unit at the time of redemption, calculated in accordance with the Sub-Fund's Trust Deed. It is the Sub-Fund's policy that the Manager monitors the Sub-Fund's liquidity position on a daily basis.

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

Risk management (continued)

(c) Liquidity risk (continued)

The table below summarises the maturity profile of Sub-Fund's financial assets and liabilities at the end of the reporting period based on contractual undiscounted cash flows in order to provide a complete view of the Sub-Fund's contractual commitments and liquidity.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Sub-Fund can be required to pay.

Financial assets

The analysis of equity securities at fair value through profit or loss into maturity groupings is based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date on which the assets will be realised.

	Less than 1 month RMB	1 to 12 months RMB	Total RMB
<u>As at 31 December 2016</u>			
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	226,195,335	2,475,220	228,670,555
Financial assets included in prepayments and other receivables	-	359	359
Deposit reserve – China Exchange Clearing	-	380,800	380,800
Cash and bank balances	2,333,943	-	2,333,943
Total	<u>228,529,278</u>	<u>2,859,379</u>	<u>231,385,657</u>
<u>Financial liabilities</u>			
Management fee payable	116,455	-	116,455
Trustee fee payable	38,993	-	38,993
Other payables and accruals	414,344	153,312	567,656
Total	<u>569,792</u>	<u>153,312</u>	<u>723,104</u>

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

Risk management (continued)

(c) Liquidity risk (continued)

<u>As at 31 December 2015</u>	Less than 1 month RMB	1 to 12 months RMB	Total RMB
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	364,111,740	12,143,948	376,255,688
Financial assets included in prepayments and other receivables	-	363	363
Deposit reserve – China Exchange Clearing	-	380,800	380,800
Cash and bank balances	3,098,363	-	3,098,363
Total	<u>367,210,103</u>	<u>12,525,111</u>	<u>379,735,214</u>
<u>Financial liabilities</u>			
Management fee payable	191,825	-	191,825
Trustee fee payable	48,156	-	48,156
Other payables and accruals	466,893	98,627	565,520
Total	<u>706,874</u>	<u>98,627</u>	<u>805,501</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.

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NOTES TO THE FINANCIAL STATEMENTS

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14. 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 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 profit or loss and other 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.

15. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issued by the Trustee and the Manager on **20 APR 2017**

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INVESTMENT PORTFOLIO

As at 31 December 2016

	Holdings	Fair value RMB	% of Net Assets
Listed equities			
<u>China</u>			
Agricultural Bank of China Ltd	952,800	2,953,680	1.28
Aier Eye Hospital Group Co Ltd	9,947	297,415	0.13
Air China Ltd	63,300	455,760	0.20
Aisino Co Ltd	27,434	547,308	0.24
Alpha Group (formerly known as Guangdong Alpha Animation and Culture Co Ltd)	12,998	295,055	0.13
Aluminum Corporation of China Ltd	162,800	687,016	0.30
Anhui Conch Cement Co Ltd	49,504	839,588	0.36
Anxin Trust Co Ltd	21,900	517,278	0.22
Aurora Optoelectronics Co Ltd	11,400	307,230	0.13
AVIC Aero-Engine Controls Co Ltd	11,300	279,562	0.12
AVIC Aircraft Co Ltd	34,300	729,218	0.32
AVIC Aviation Engine Corporation Plc	19,259	630,540	0.27
AVIC Helicopter Co Ltd	5,800	280,836	0.12
AVIC Investment Holdings Co Ltd	111,100	679,932	0.29
Bank of Beijing Co Ltd	303,238	2,959,603	1.28
Bank of China Ltd	521,700	1,794,648	0.78
Bank of Communications Co Ltd	684,900	3,951,873	1.71
Bank of Nanjing Co Ltd	89,990	975,492	0.42
Bank of Ningbo Co Ltd	48,216	802,314	0.35
Baoshan Iron & Steel Co Ltd	122,200	775,970	0.34
Beijing Capital Co Ltd	59,700	245,367	0.11
Beijing Capital Development Co Ltd	25,500	301,155	0.13
Beijing Dabeinong Technology Group Co Ltd	50,700	359,970	0.16
Beijing Enlight Media Co Ltd	21,760	212,378	0.09
Beijing Gehua CATV Networks Co Ltd	17,212	263,688	0.11
Beijing Jetson Technology Co Ltd	25,400	261,874	0.11
Beijing Orient Landscape and Environment Co Ltd	26,500	374,975	0.16
Beijing Origin Water Technology Co Ltd	46,406	813,033	0.35
Beijing Sanju Environmental Protection & New Materials Co Ltd	14,700	680,463	0.30
Beijing Shiji Information Technology Co Ltd	7,900	192,523	0.08
Beijing Tongrentang Co Ltd	13,619	427,364	0.19
Beijing Ultrapower Software Co Ltd	34,000	314,160	0.14
Beijing Xinwei Telecom Technology Group Co Ltd	36,200	528,520	0.23
BlueFocus Communication Group Co Ltd	34,645	352,340	0.15
BOE Technology Group Co Ltd	588,280	1,682,481	0.73
Bohai Financial Investment Holding Co Ltd (formerly known as Bohai Leasing Co Ltd)	42,100	301,015	0.13
BYD Co Ltd	13,506	670,978	0.29
Changjiang Securities Co Ltd	82,148	840,374	0.36
China Avionics Systems Co Ltd	13,044	242,097	0.11
China Baoan Group Co Ltd	53,214	551,297	0.24
China CITIC Bank Corporation Ltd	75,838	486,122	0.21
China Communications Construction Co Ltd	37,800	574,182	0.25
China Construction Bank Corporation	166,200	904,128	0.39
China CSSC Holdings Ltd	17,048	470,695	0.20

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INVESTMENT PORTFOLIO

As at 31 December 2016

	Holdings	Fair value RMB	% of Net Assets
Listed equities (continued)			
<u>China (continued)</u>			
China Dongfanghong Spacesat Co Ltd	14,601	456,135	0.20
China Eastern Airlines Corporation Ltd	72,800	514,696	0.22
China Everbright Bank Co Ltd	394,100	1,540,931	0.67
China Fortune Land Development Co Ltd	21,900	523,410	0.23
China Grand Automotive Services Co Ltd	40,800	349,248	0.15
China Hainan Rubber Industry Group Co Ltd	29,200	203,232	0.09
China High-Speed Railway Technology Co Ltd	20,500	191,060	0.08
China International Marine Containers (Group) Co Ltd	18,705	273,467	0.12
China International Travel Service Corporation Ltd	12,122	526,095	0.23
China Life Insurance Co Ltd	41,253	993,785	0.43
China Merchants Bank Co Ltd	257,084	4,524,678	1.96
China Merchants Energy Shipping Co Ltd	52,500	259,350	0.11
China Merchants Securities Co Ltd	56,600	924,278	0.40
China Merchants Shekou Industrial Zone Co Ltd	58,712	962,290	0.42
China Minsheng Banking Co Ltd	589,238	5,350,281	2.32
China Molybdenum Co Ltd	96,233	357,987	0.16
China National Nuclear Power Co Ltd	115,600	816,136	0.35
China Northern Rare Earth (Group) High-Tech Co Ltd	53,950	661,966	0.29
China Nuclear Engineering Group Co Ltd	13,000	223,470	0.10
China Pacific Insurance Group Co Ltd	78,365	2,176,196	0.94
China Petroleum & Chemical Corporation	260,200	1,407,682	0.61
China Railway Group Ltd	184,500	1,634,670	0.71
China Railways Construction Corporation	113,900	1,362,244	0.59
China Security & Fire Co Ltd	19,100	332,913	0.14
China Shenhua Energy Co Ltd	49,013	793,030	0.34
China Shipbuilding Industry Co Ltd	227,252	1,611,217	0.70
China Shipbuilding Industry Group Power Co Ltd	8,600	262,644	0.11
China Southern Airlines Co Ltd	86,900	610,038	0.26
China State Construction Engineering Corporation Ltd	373,900	3,312,754	1.44
China United Network Communications Ltd	209,823	1,533,806	0.67
China Vanke Co Ltd	169,716	3,487,664	1.51
China Yangtze Power Co Ltd	164,500	2,082,570	0.90
Chinese Universe Publishing & Media Co Ltd	13,600	274,720	0.12
Chongqing Changan Automobile Co Ltd	48,300	721,602	0.31
CITIC Guoan Information Industry Co Ltd	67,900	623,322	0.27
CITIC Heavy Industries Co Ltd	32,200	180,642	0.08
CITIC Securities Co Ltd	196,156	3,150,265	1.37
COFCO Tunhe Co Ltd	25,400	316,484	0.14
COSCO SHIPPING Development Co Ltd (formerly known as China Shipping Container Lines Co Ltd)	78,500	320,280	0.14
COSCO SHIPPING Holdings Co Ltd (formerly known as China COSCO Holdings Co Ltd)	94,500	495,180	0.21
CRRC Corporation Ltd	227,470	2,222,382	0.96
CSSC Offshore and Marine Engineering (Group) Co Ltd	8,100	240,570	0.10
Daqin Railway Co Ltd	147,148	1,041,808	0.45
DHC Software Co Ltd	23,302	542,937	0.24

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INVESTMENT PORTFOLIO

As at 31 December 2016

	Holdings	Fair value RMB	% of Net Assets
Listed equities (continued)			
<u>China (continued)</u>			
Digital China Information Service Co Ltd	6,800	144,364	0.06
Dongfang Electric Corporation Ltd	30,900	333,411	0.14
Dongxing Securities Co Ltd	27,300	547,638	0.24
Dongxu Optoelectronic Technology Co Ltd	46,424	522,734	0.23
Dr Peng Telecom & Media Group Co Ltd	28,000	614,040	0.27
East Money Information Co Ltd	52,860	894,920	0.39
Eternal Asia Supply Chain Management Ltd	36,394	395,239	0.17
Everbright Securities Co Ltd	48,300	772,317	0.34
FAW Car Co Ltd	20,110	218,596	0.10
Fiberhome Telecommunication Technologies Co Ltd	12,900	325,209	0.14
Finance Street Holding Co Ltd	29,600	304,880	0.13
First Capital Securities Company Ltd	6,000	208,800	0.09
Focus Media Information Technology Co Ltd	15,100	215,477	0.09
Founder Securities Co Ltd	101,900	774,440	0.34
Fujian Sunner Development Co Ltd	11,000	233,420	0.10
Future Land Holdings Co Ltd	22,400	263,200	0.11
Fuyao Glass Industry Group Co Ltd	34,688	646,237	0.28
GD Power Development Co Ltd	291,800	925,006	0.40
Gemdale Corporation	55,700	721,872	0.31
Gezhouba Group Co Ltd	68,400	628,596	0.27
GF Securities Co Ltd	73,211	1,234,337	0.54
GoerTek Inc	22,700	602,004	0.26
Gousen Securities Co Ltd	60,900	946,995	0.41
Great Wall Motor Co Ltd	29,800	329,588	0.14
Gree Electric Appliances Inc of Zhuhai	119,914	2,952,283	1.28
Greenland Holdings Corporation Ltd	60,200	524,342	0.23
GRG Banking Equipment Co Ltd	20,000	265,600	0.12
Guangdong By-Health Biotechnology Co Ltd	18,000	214,920	0.09
Guangdong Golden Horse Tourism Group Stock Co Ltd	11,100	260,184	0.11
Guanghui Energy Co Ltd	77,520	362,018	0.16
Guangshen Railway Co Ltd	83,899	425,368	0.18
Guangxi Wuzhou Zhongheng Group Co Ltd	68,774	314,985	0.14
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	13,877	332,770	0.14
Guangzhou Haige Communication Group	42,506	495,195	0.21
Guizhou Bailing Group Pharmaceutical Co Ltd	10,430	197,544	0.09
Guotai Junan Securities Co Ltd	113,500	2,109,965	0.91
Guoxuan High-Tech Co Ltd	10,800	334,692	0.15
Guoyuan Securities Co Ltd	29,201	581,100	0.25
Hainan Airlines Co Ltd	162,700	530,402	0.23
Haitong Securities Co Ltd	201,747	3,177,515	1.38
Hangzhou Hikvision Digital Technology Co Ltd	45,326	1,079,212	0.47
Han's Laser Technology Industry Group Co Ltd	21,141	477,787	0.21
Henan Shuanghui Investment & Development Co Ltd	24,458	511,906	0.22

HAITONG CSI300 INDEX ETF
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INVESTMENT PORTFOLIO

As at 31 December 2016

	Holdings	Fair value RMB	% of Net Assets
Listed equities (continued)			
<u>China (continued)</u>			
Hesteel Company Ltd (formerly known as Hebei Iron & Steel Co Ltd)	105,100	351,034	0.15
Hisense Electric Co Ltd	19,441	332,830	0.14
Hithink Flush Information Network Co Ltd	5,300	364,534	0.16
Hua Xia Bank Co Ltd	132,213	1,434,511	0.62
Huadong Medicine Co Ltd	6,047	435,807	0.19
Hualan Biological Engineering Inc	13,860	495,495	0.22
Huatai Securities Co Ltd	80,881	1,444,535	0.63
Huawen Media Investment Group Corporation	49,900	563,371	0.24
Huayi Brothers Media Corporation	41,374	455,114	0.20
HUAYU Automotive Systems Co Ltd	31,212	497,831	0.22
Hubei Biocause Pharmaceutical Co Ltd	31,600	241,740	0.10
Hunan TV & Broadcast Intermediary Co Ltd	28,026	403,294	0.17
Hundsun Electronic Co Ltd	12,214	575,768	0.25
iFLYTEK Co Ltd	22,676	614,293	0.27
Industrial and Commercial Bank of China Ltd	537,600	2,370,816	1.03
Industrial Bank Co Ltd	332,412	5,365,130	2.33
Industrial Securities Co Ltd	115,990	887,323	0.38
Inner Mongolia Junzheng Energy & Chemical Industry Co Ltd	62,616	291,164	0.13
Inner Mongolia Yili Industrial Group Co Ltd	151,140	2,660,064	1.15
Inner Mongolian BaoTou Steel Union Co Ltd	241,800	674,622	0.29
Inspur Electronic Information Industry Co Ltd	14,800	313,760	0.14
Jiangsu Broadcasting Cable Information Network Corporation Ltd	38,440	434,372	0.19
Jiangsu Hengrui Medicine Co Ltd	34,867	1,586,448	0.69
Jiangsu Phoenix Publishing & Media Corporation Ltd	18,900	197,883	0.09
Jiangsu Protruly Vision Technology Group Co Ltd	24,100	319,084	0.14
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	14,929	1,053,987	0.46
Jiangxi Copper Co Ltd	20,590	344,471	0.15
Jihua Group Corporation Ltd	38,200	351,822	0.15
Jilin Aodong Medicine Industry Groups Co Ltd	17,742	549,825	0.24
Jinduicheng Molybdenum Co Ltd	23,967	183,348	0.08
Juneyao Airlines Co Ltd	6,400	149,120	0.06
Kangde Xin Composite Material Group Co Ltd (formerly known as Jiangsu Kangde Xin Composite Material Co Ltd)	61,055	1,166,761	0.51
Kangmei Pharmaceutical Co Ltd	73,446	1,311,011	0.57
Kweichow Moutai Co Ltd	12,562	4,197,592	1.82
Leo Group Co Ltd	15,900	253,605	0.11
Leshi Internet Information & Technology (Beijing) Co Ltd	25,500	912,900	0.40
Liaoning Cheng Da Co Ltd	30,257	543,416	0.24
Luxin Venture Capital Group Co Ltd	7,400	167,388	0.07
Luxshare Precision Industry Co Ltd	21,021	436,186	0.19
Luzhou Laojiao Co Ltd	17,333	571,989	0.25
Material Industry Zhongda Group Co Ltd	28,380	293,165	0.13
MeiHua Holdings Group Co Ltd	46,200	301,224	0.13
Metallurgical Corporation of China Ltd	120,600	561,996	0.24
Midea Group Co Ltd	112,090	3,157,575	1.37
Muyuan Foodstuff Co Ltd	10,200	237,456	0.10

HAITONG CSI300 INDEX ETF
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INVESTMENT PORTFOLIO

As at 31 December 2016

	Holdings	Fair value RMB	% of Net Assets
Listed equities (continued)			
<u>China (continued)</u>			
NARI Technology Development Co Ltd	36,067	599,794	0.26
Neusoft Co Ltd	24,578	483,203	0.21
New China Life Insurance Co Ltd	20,632	903,269	0.39
New Hope Liuhe Co Ltd	51,600	415,380	0.18
Ningbo Zhoushan Port Co Ltd (formerly known as Ningbo Port Co Ltd)	97,800	494,868	0.21
Northeast Securities Co Ltd	34,712	429,040	0.19
Offshore Oil Engineering Co Ltd	54,700	403,686	0.18
Orient Securities Co Ltd	77,100	1,197,363	0.52
Ourpalm Co Ltd	48,000	443,520	0.19
Pacific Security Co Ltd	168,700	868,805	0.38
Pang Da Automobile Trade Co Ltd	115,700	320,489	0.14
People.cn Co Ltd	13,640	240,882	0.10
PetroChina Co Ltd	120,234	955,860	0.41
Ping An Bank Co Ltd	212,476	1,933,532	0.84
Ping An Insurance (Group) Co of China Ltd	269,992	9,565,817	4.15
Poly Real Estate Group Co Ltd	176,100	1,607,793	0.70
Power Construction Corporation of China	102,100	741,246	0.32
Qingdao Haier Co Ltd	75,446	745,406	0.32
Qinghai Salt Lake Potash Co Ltd	18,400	350,888	0.15
Risesun Real Estate Development Co Ltd	32,334	253,822	0.11
SAIC Motor Corporation Ltd	81,885	1,920,203	0.83
Sanan Optoelectronics Co Ltd	50,448	675,499	0.29
Sany Heavy Industry Co Ltd	94,232	574,815	0.25
SDIC Essence Holdings Co Ltd	27,400	427,714	0.19
SDIC Power Holdings Co Ltd	100,820	672,469	0.29
Sealand Securities Co Ltd	73,010	508,880	0.22
Searainbow Holding Corporation	17,800	748,490	0.32
Shaanxi Coal Industry Co Ltd	49,500	240,075	0.10
Shandong Dong-E E-Jiao Co Ltd	12,996	700,094	0.30
Shandong Gold Mining Co Ltd	18,425	672,697	0.29
Shandong Kingenta Ecological Engineering Co Ltd	38,800	306,520	0.13
Shanghai 2345 Network Holdings Group Co Ltd	23,900	270,548	0.12
Shanghai Bailian Group Co Ltd	19,900	285,764	0.12
Shanghai Bairun Investment Holding Group Co Ltd	4,400	89,056	0.04
Shanghai Construction Co Ltd	88,294	417,631	0.18
Shanghai Electric Group Co Ltd	80,000	673,600	0.29
Shanghai Electric Power Co Ltd	23,100	280,434	0.12
Shanghai Fosun Pharmaceutical (Group) Co Ltd	24,849	575,006	0.25
Shanghai International Airport Co Ltd	23,828	631,919	0.27
Shanghai International Port Group Co Ltd	80,320	411,238	0.18
Shanghai Jinjiang International Hotels Development Co Ltd	4,000	117,840	0.05
Shanghai Lujiazui Finance & Trade Zone Development Co Ltd	18,856	417,283	0.18
Shanghai Oriental Pearl Media Co Ltd	32,480	756,784	0.33

HAITONG CSI300 INDEX ETF
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INVESTMENT PORTFOLIO

As at 31 December 2016

	Holdings	Fair value RMB	% of Net Assets
Listed equities (continued)			
<u>China (continued)</u>			
Shanghai Pharmaceutical Co Ltd	28,564	558,712	0.24
Shanghai Pudong Development Bank Co Ltd	215,590	3,494,714	1.52
Shanghai RAAS Blood Products Co Ltd	24,618	568,430	0.25
Shanghai SMI Holding Co Ltd	45,500	925,470	0.40
Shanghai Tunnel Engineering Co Ltd	46,700	514,167	0.22
Shanghai Waigaoqiao FTZ Development Co Ltd	9,253	182,654	0.08
Shanghai Wangsu Science & Technology Co Ltd	11,772	631,097	0.27
Shanghai Zhangjiang Hi-Tech Park Development Co Ltd	19,200	340,224	0.15
Shanxi Securities Co Ltd	28,000	336,560	0.15
Shanxi Xishan Coal & Electricity Power Co Ltd	39,000	329,940	0.14
Shenwan Hongyuan Group Co Ltd	148,957	930,981	0.40
Shenzhen Agricultural Products Co Ltd	16,791	207,705	0.09
Shenzhen Energy Group Co Ltd	29,400	201,978	0.09
Shenzhen Infogem Technologies Co Ltd	6,800	142,120	0.06
Shenzhen Inovance Technology Co Ltd	23,798	483,813	0.21
Shenzhen Kingdom Sci-Tech Co Ltd	12,400	311,612	0.14
Shenzhen O-film Tech Co Ltd	18,850	646,178	0.28
Shenzhen Overseas Chinese Town Co Ltd	81,200	564,340	0.24
Shenzhen Zhongjin Lingnan Nonfemet Co Ltd	38,290	426,933	0.19
Siasun Robot & Automation Co Ltd	27,020	577,688	0.25
Sichuan Changhong Electric Co Ltd	91,400	382,052	0.17
Sichuan Chuantou Energy Co Ltd	54,500	474,150	0.21
Sinolink Securities Co Ltd	52,386	682,590	0.30
Sinopec Oilfield Service Corporation	44,700	183,270	0.08
Sinopec Shanghai Petrochemical Co Ltd	54,200	349,048	0.15
Songcheng Performance Development Co Ltd	14,400	301,536	0.13
Soochow Security Co Ltd	51,966	689,589	0.30
Southwest Securities Co Ltd	69,890	498,316	0.22
Spring Airlines Co Ltd	5,900	216,766	0.09
Suning Commerce Group Co Ltd	92,200	1,055,690	0.46
Suning Universal Co Ltd	30,000	258,900	0.11
Sunshine City Group Co Ltd	40,100	223,357	0.10
Suzhou Gold Mantis Constructions	39,264	384,395	0.17
Suzhou Victory Precision Manufacture Co Ltd	42,300	349,821	0.15
Tasly Pharmaceutical Group Co Ltd	16,024	664,836	0.29
TBEA Co Ltd	80,237	732,564	0.32
TCL Corporation	218,100	719,730	0.31
Tian Di Science & Technology Co Ltd	41,000	203,770	0.09
Tianjin Zhonghuan Semiconductor Co Ltd	41,160	340,393	0.15
Tianqi Lithium Industries Inc	14,800	480,260	0.21
Tonghua Dongbao Pharmaceutical Co Ltd	24,636	540,267	0.23
Tongling Nonferrous Metals Group Co Ltd	165,600	510,048	0.22
Tsinghua Tongfang Co Ltd	44,000	609,400	0.26
Tsinghua Unisplendour Co Ltd	3,600	206,604	0.09

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INVESTMENT PORTFOLIO

As at 31 December 2016

	Holdings	Fair value RMB	% of Net Assets
Listed equities (continued)			
<u>China (continued)</u>			
Tus-Sound Environmental Resources Co Ltd	12,719	419,473	0.18
Unigroup Guozin Co Ltd	9,000	296,460	0.13
Wanda Cinema Line Co Ltd	11,600	627,212	0.27
WanHua Chemical Group Co Ltd	26,806	577,133	0.25
Wanxiang Qianchao Co Ltd	28,360	376,054	0.16
Wasu Media Holdings Co Ltd	14,200	254,322	0.11
Weichai Power Co Ltd	59,924	596,843	0.26
Western Securities Co Ltd	34,600	718,642	0.31
Wintime Energy Co Ltd	123,040	493,390	0.21
Wonders Information Co Ltd	17,700	357,894	0.16
Wuhan Iron and Steel Co Ltd	124,900	425,909	0.18
Wuliangye Yibin Co Ltd	46,979	1,619,836	0.70
XCMG Construction Machinery Co Ltd	109,100	368,758	0.16
Xiamen C&D Inc	42,058	450,021	0.20
Xinhu Zhongbao Co Ltd	85,100	354,016	0.15
Xinjiang Goldwind Science & Technology Co Ltd	38,700	662,157	0.29
Xinxing Ductile Iron Pipes Co Ltd	54,100	279,697	0.12
Yanzhou Coal Mining Co Ltd	9,499	103,159	0.04
Yonghui Superstores Co Ltd	94,724	465,095	0.20
Yonyou Network Technology Co Ltd	18,124	377,342	0.16
Youngor Group Co Ltd	38,005	531,310	0.23
Youzu Interactive Co Ltd	8,500	224,825	0.10
Yunnan Baiyao Group Co Ltd	15,443	1,175,984	0.51
Zhejiang China Commodities City Group Co Ltd	67,400	583,010	0.25
Zhejiang CHINT Electrics Co Ltd	9,800	196,000	0.09
Zhejiang Dahua Technology Co Ltd	35,880	490,838	0.21
Zhejiang Huace Film & TV Co Ltd	17,340	196,809	0.09
Zhejiang Longsheng Group Co Ltd	56,366	519,131	0.23
Zhejiang Wanfeng Auto Wheel Co Ltd	22,599	446,556	0.19
Zhejiang Zheneng Electric	100,960	548,213	0.24
Zhengzhou Yutong Bus Co Ltd	32,901	644,531	0.28
Zhongjin Gold Co Ltd	42,711	516,376	0.22
Zhongtian Urban Development Group Co Ltd	65,800	455,994	0.20
Zijin Mining Group Co Ltd	273,800	914,492	0.40
Zoomlion Heavy Industry Science & Technology Co Ltd	108,769	493,811	0.21
ZTE Corporation	58,871	938,992	0.41
Total investments, at fair value		<u>228,670,555</u>	<u>99.13</u>
Total investments, at cost		<u>208,036,052</u>	

HAITONG CSI300 INDEX ETF
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO

31 December 2016

	At 1 January 2016	Additions	Disposals	Corporate actions	At 31 December 2016
Listed equities					
China					
Agricultural Bank of China Ltd	1,457,900	6,600	(511,700)	-	952,800
Aier Eye Hospital Group Co Ltd	14,947	100	(5,100)	-	9,947
Air China Ltd	97,500	-	(34,200)	-	63,300
Aisino Co Ltd	20,467	-	(10,200)	17,167	27,434
Alpha Group (formerly known as Guangdong Alpha Animation and Culture Co Ltd)	19,298	500	(6,800)	-	12,998
Aluminum Corporation of China Ltd	209,000	22,300	(68,500)	-	162,800
Angang Steel Co Ltd	70,400	-	(70,400)	-	-
Anhui Conch Cement Co Ltd	76,304	-	(26,800)	-	49,504
Anxin Trust Co Ltd	-	26,900	(5,000)	-	21,900
Aurora Optoelectronics Co Ltd	-	12,800	(1,400)	-	11,400
AVIC Aero-Engine Controls Co Ltd	17,500	-	(6,200)	-	11,300
AVIC Aircraft Co Ltd	42,200	6,200	(14,100)	-	34,300
AVIC Aviation Engine Corporation Plc	29,759	1,500	(12,000)	-	19,259
AVIC Helicopter Co Ltd	9,000	200	(3,400)	-	5,800
AVIC Investment Holdings Co Ltd	82,200	900	(38,600)	66,600	111,100
Bank of Beijing Co Ltd	386,598	2,100	(145,800)	60,340	303,238
Bank of China Ltd	803,800	-	(282,100)	-	521,700
Bank of Communications Co Ltd	898,100	105,200	(318,400)	-	684,900
Bank of Nanjing Co Ltd	77,050	-	(37,500)	50,440	89,990
Bank of Ningbo Co Ltd	74,316	-	(26,100)	-	48,216
Baoshan Iron & Steel Co Ltd	188,400	-	(66,200)	-	122,200
BBMG Corporation	47,700	37,700	(122,600)	37,200	-
Beijing Capital Co Ltd	36,800	11,700	(18,600)	29,800	59,700
Beijing Capital Development Co Ltd	-	30,500	(5,000)	-	25,500
Beijing Dabeinong Technology Group Co Ltd	62,600	-	(37,700)	25,800	50,700
Beijing Enlight Media Co Ltd	16,780	-	(10,000)	14,980	21,760
Beijing Gehua CATV Networks Co Ltd	-	20,712	(3,500)	-	17,212
Beijing Jetson Technology Co Ltd	-	25,400	-	-	25,400
Beijing Jingneng Thermal Power Co Ltd	54,600	7,400	(62,000)	-	-
Beijing Orient Landscape and Environment Co Ltd	-	26,500	-	-	26,500
Beijing Origin Water Technology Co Ltd	23,400	6,900	(12,300)	28,406	46,406
Beijing Sanju Environmental Protection & New Materials Co Ltd	-	14,700	-	-	14,700
Beijing Shiji Information Technology Co Ltd	4,700	1,300	(3,500)	5,400	7,900
Beijing SL Pharmaceutical Co Ltd	15,701	-	(15,701)	-	-
Beijing Tongrentang Co Ltd	26,119	-	(12,500)	-	13,619

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO

31 December 2016

	At 1 January 2016	Additions	Disposals	Corporate actions	At 31 December 2016
Listed equities (continued)					
China (continued)					
Beijing Ultrapower Software Co Ltd	45,500	3,200	(14,700)	-	34,000
Beijing Xinwei Telecom Technology Group Co Ltd	44,600	6,200	(14,600)	-	36,200
Beijing Yanjing Brewery Co Ltd	53,748	-	(53,748)	-	-
Beiqi Foton Motor Co Ltd	63,600	-	(63,600)	-	-
BlueFocus Communication Group Co Ltd	58,945	-	(24,300)	-	34,645
BOE Technology Group Co Ltd	906,380	-	(318,100)	-	588,280
Bohai Financial Investment Holding Co Ltd (formerly known as Bohai Leasing Co Ltd)	67,700	-	(25,600)	-	42,100
BYD Co Ltd	23,806	800	(11,100)	-	13,506
CECEP Wind Power Corporation Co Ltd	7,500	-	(7,500)	-	-
Changjiang Securities Co Ltd	126,648	-	(44,500)	-	82,148
Chengdu Xingrong Environment Co Ltd	68,301	-	(68,301)	-	-
China Avionics Systems Co Ltd	20,144	-	(7,100)	-	13,044
China Baoan Group Co Ltd	48,540	7,800	(19,100)	15,974	53,214
China CITIC Bank Corporation Ltd	121,638	-	(45,800)	-	75,838
China Coal Energy Co Ltd	69,793	-	(69,793)	-	-
China Communications Construction Co Ltd	58,200	-	(20,400)	-	37,800
China Construction Bank Corporation	256,100	19,600	(109,500)	-	166,200
China CSSC Holdings Ltd	26,248	-	(9,200)	-	17,048
China Dongfanghong Spacesat Co Ltd	22,501	-	(7,900)	-	14,601
China Eastern Airlines Corporation Ltd	129,400	17,200	(73,800)	-	72,800
China Everbright Bank Co Ltd	607,300	-	(213,200)	-	394,100
China First Heavy Industries	99,700	-	(99,700)	-	-
China Fortune Land Development Co Ltd	40,400	2,000	(20,500)	-	21,900
China Grand Automotive Services Co Ltd	-	40,800	-	-	40,800
China Hainan Rubber Industry Group Co Ltd	45,000	-	(15,800)	-	29,200
China High-Speed Railway Technology Co Ltd	-	20,500	-	-	20,500
China International Marine Containers (Group) Co Ltd	28,205	-	(9,500)	-	18,705
China International Travel Service Corporation Ltd	14,922	2,400	(5,200)	-	12,122
China Life Insurance Co Ltd	63,553	-	(22,300)	-	41,253
China Merchants Bank Co Ltd	393,384	1,800	(138,100)	-	257,084
China Merchants Energy Shipping Co Ltd	80,800	-	(28,300)	-	52,500

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO

31 December 2016

	At 1 January 2016	Additions	Disposals	Corporate actions	At 31 December 2016
Listed equities (continued)					
China (continued)					
China Merchants Securities Co Ltd	110,800	-	(54,200)	-	56,600
China Merchants Shekou Industrial Zone Co Ltd	84,612	3,400	(29,300)	-	58,712
China Minmetals Rare Metal Earth Co Ltd	26,176	-	(26,176)	-	-
China Minsheng Banking Co Ltd	1,127,038	17,000	(554,800)	-	589,238
China Molybdenum Co Ltd	98,533	34,300	(36,600)	-	96,233
China National Chemical Engineering Co Ltd	75,300	-	(75,300)	-	-
China National Nuclear Power Co Ltd	178,100	-	(62,500)	-	115,600
China Northern Rare Earth (Group) High-Tech Co Ltd	83,150	-	(29,200)	-	53,950
China Nuclear Engineering Group Co Ltd	-	13,000	-	-	13,000
China Oilfield Services Ltd	22,541	-	(22,541)	-	-
China Pacific Insurance Group Co Ltd	119,865	600	(42,100)	-	78,365
China Petroleum & Chemical Corporation	400,900	-	(140,700)	-	260,200
China Railway Group Ltd	213,200	40,900	(69,600)	-	184,500
China Railways Construction Corporation	131,600	25,300	(43,000)	-	113,900
China Resources Sanjiu Medical and Pharmaceutical Co Ltd	14,906	-	(14,906)	-	-
China Security & Fire Co Ltd	-	19,100	-	-	19,100
China Shenhua Energy Co Ltd	75,513	-	(26,500)	-	49,013
China Shipbuilding Industry Co Ltd	350,152	-	(122,900)	-	227,252
China Shipbuilding Industry Group Power Co Ltd	-	8,600	-	-	8,600
China South Publishing & Media Group Co Ltd	27,432	-	(27,432)	-	-
China Southern Airlines Co Ltd	133,900	-	(47,000)	-	86,900
China State Construction Engineering Corporation Ltd	572,100	2,600	(200,800)	-	373,900
China United Network Communications Ltd	323,323	-	(113,500)	-	209,823
China Vanke Co Ltd	295,916	1,200	(127,400)	-	169,716
China XD Electric Co Ltd	78,200	-	(78,200)	-	-
China Yangtze Power Co Ltd	188,800	53,600	(77,900)	-	164,500
Chinese Universe Publishing & Media Co Ltd	21,000	-	(7,400)	-	13,600
Chongqing Changan Automobile Co Ltd	86,100	-	(37,800)	-	48,300
Chongqing Water Group Co Ltd	21,930	-	(21,930)	-	-
CITIC Guoan Information Industry Co Ltd	-	33,300	(14,300)	48,900	67,900

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO

31 December 2016

	At 1 January 2016	Additions	Disposals	Corporate actions	At 31 December 2016
Listed equities (continued)					
China (continued)					
CITIC Heavy Industries Co Ltd	47,000	1,300	(16,100)	-	32,200
CITIC Securities Co Ltd	300,156	1,300	(105,300)	-	196,156
COFCO Tunhe Co Ltd	-	28,900	(3,500)	-	25,400
COSCO SHIPPING Development Co Ltd (formerly known as China Shipping Container Lines Co Ltd)	143,400	-	(64,900)	-	78,500
COSCO SHIPPING Holdings Co Ltd (formerly known as China COSCO Holdings Co Ltd)	138,200	16,100	(59,800)	-	94,500
CRRC Corporation Ltd	349,570	600	(122,700)	-	227,470
CSSC Offshore and Marine Engineering Group Co Ltd	-	9,500	(1,400)	-	8,100
Daqin Railway Co Ltd	226,748	-	(79,600)	-	147,148
Datang International Power Generation Co Ltd	114,300	-	(114,300)	-	-
DHC Software Co Ltd	29,802	2,900	(9,400)	-	23,302
Digital China Information Service Co Ltd	-	6,800	-	-	6,800
Dongfang Electric Corporation Ltd	45,700	-	(14,800)	-	30,900
Dongxing Securities Co Ltd	19,100	16,200	(8,000)	-	27,300
Dongxu Optoelectronic Technology Co Ltd	64,424	3,000	(21,000)	-	46,424
Dr Peng Telecom & Media Group Co Ltd	42,700	-	(14,700)	-	28,000
East Money Information Co Ltd	45,400	2,900	(26,000)	30,560	52,860
Eternal Asia Supply Chain Management Ltd	-	42,694	(6,300)	-	36,394
Everbright Securities Co Ltd	44,700	18,200	(14,600)	-	48,300
FAW Car Co Ltd	31,010	-	(10,900)	-	20,110
Fiberhome Telecommunication Technologies Co Ltd	-	12,900	-	-	12,900
Finance Street Holding Co Ltd	57,000	-	(27,400)	-	29,600
First Capital Securities Company Ltd	-	6,000	-	-	6,000
Focus Media Information Technology Co Ltd	-	10,400	(2,600)	7,300	15,100
Foshan Haitian Flavouring & Food Co Ltd	10,294	-	(10,294)	-	-
Founder Securities Co Ltd	157,000	-	(55,100)	-	101,900
Fujian Sunner Development Co Ltd	-	11,000	-	-	11,000
Future Land Holdings Co Ltd	-	22,400	-	-	22,400
Fuyao Glass Industry Group Co Ltd	53,488	-	(18,800)	-	34,688
GD Power Development Co Ltd	374,700	42,100	(125,000)	-	291,800
Gemdale Corporation	85,800	-	(30,100)	-	55,700
Gezhouba Group Co Ltd	105,400	-	(37,000)	-	68,400
GF Securities Co Ltd	112,911	-	(39,700)	-	73,211
Glodon Software Co Ltd	25,795	-	(25,795)	-	-
GoerTek Inc	34,900	-	(12,200)	-	22,700
Gousen Securities Co Ltd	46,900	36,800	(22,800)	-	60,900
Great Wall Motor Co Ltd	46,000	-	(16,200)	-	29,800

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO

31 December 2016

	At 1 January 2016	Additions	Disposals	Corporate actions	At 31 December 2016
Listed equities (continued)					
China (continued)					
Gree Electric Appliances Inc of Zhuhai	183,514	800	(64,400)	-	119,914
Greenland Holdings Corporation Ltd	-	62,000	(1,800)	-	60,200
GRG Banking Equipment Co Ltd	-	24,800	(4,800)	-	20,000
Guangdong By-Health Biotechnology Co Ltd	11,100	3,300	(6,300)	9,900	18,000
Guangdong Electric Power Development Co Ltd	34,000	-	(34,000)	-	-
Guangdong Golden Horse Tourism Group Stock Co Ltd	17,100	1,600	(7,600)	-	11,100
Guanghui Energy Co Ltd	119,520	-	(42,000)	-	77,520
Guangshen Railway Co Ltd	129,299	-	(45,400)	-	83,899
Guangxi Wuzhou Zhongheng Group Co Ltd	106,074	-	(37,300)	-	68,774
Guangzhou Automobile Group Co Ltd	20,900	-	(20,900)	-	-
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	20,377	400	(6,900)	-	13,877
Guangzhou Development Industry (Holdings) Co Ltd	-	20,000	(20,000)	-	-
Guangzhou Haige Communication Group	65,506	-	(23,000)	-	42,506
Guizhou Bailing Group Pharmaceutical Co Ltd	-	12,530	(2,100)	-	10,430
Guotai Junan Securities Co Ltd	58,200	74,100	(18,800)	-	113,500
Guoxuan High-Tech Co Ltd	-	10,800	-	-	10,800
Guoyuan Securities Co Ltd	44,901	1,000	(16,700)	-	29,201
Hainan Airlines Co Ltd	225,300	12,300	(74,900)	-	162,700
Hainan Mining Co Ltd	8,800	-	(8,800)	-	-
Haitong Securities Co Ltd	308,647	1,500	(108,400)	-	201,747
Hangzhou Hikvision Digital Technology Co Ltd	46,551	-	(20,200)	18,975	45,326
Han's Laser Technology Industry Group Co Ltd	32,241	-	(11,100)	-	21,141
Heilan Home Co Ltd	51,400	-	(51,400)	-	-
Henan Shuanghui Investment & Development Co Ltd	37,758	-	(13,300)	-	24,458
Hesteel Company Ltd (formerly known as Hebei Iron & Steel Co Ltd)	162,000	-	(56,900)	-	105,100
Hisense Electric Co Ltd	29,941	-	(10,500)	-	19,441
Hithink Flush Information Network Co Ltd	-	5,300	-	-	5,300
Hua Xia Bank Co Ltd	203,713	-	(71,500)	-	132,213
Huadian Power International Corporation Ltd	93,200	-	(93,200)	-	-
Huadong Medicine Co Ltd	8,247	1,200	(3,400)	-	6,047

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31 December 2016

	At 1 January 2016	Additions	Disposals	Corporate actions	At 31 December 2016
Listed equities (continued)					
China (continued)					
Hualan Biological Engineering Inc	11,100	1,800	(4,500)	5,460	13,860
Huaneng Power International Inc	160,197	-	(160,197)	-	-
Huatai Securities Co Ltd	124,581	-	(43,700)	-	80,881
Huawen Media Investment Group Corporation	62,600	8,700	(21,400)	-	49,900
Huayi Brothers Media Corporation	37,101	-	(28,600)	32,873	41,374
HUAYU Automotive Systems Co Ltd	39,400	9,112	(17,300)	-	31,212
Hubei Biocause Pharmaceutical Co Ltd	-	31,600	-	-	31,600
Hubei Energy Group Co Ltd	81,600	8,800	(90,400)	-	-
Hunan TV & Broadcast Intermediary Co Ltd	43,226	-	(15,200)	-	28,026
Hundsun Electronic Co Ltd	18,814	-	(6,600)	-	12,214
iFLYTEK Co Ltd	34,276	-	(11,600)	-	22,676
Industrial and Commercial Bank of China Ltd	822,600	79,200	(364,200)	-	537,600
Industrial Bank Co Ltd	508,612	8,200	(184,400)	-	332,412
Industrial Securities Co Ltd	158,690	49,700	(92,400)	-	115,990
Inner Mongolia Junzheng Energy & Chemical Industry Co Ltd	42,208	4,300	(20,500)	36,608	62,616
Inner Mongolia MengDian HuaNeng Thermal Power Corporation Ltd	110,700	-	(110,700)	-	-
Inner Mongolia Yili Industrial Group Co Ltd	231,340	1,000	(81,200)	-	151,140
Inner Mongolian BaoTou Steel Union Co Ltd	372,500	-	(130,700)	-	241,800
Inspur Electronic Information Industry Co Ltd	-	18,300	(3,500)	-	14,800
Jiangsu Broadcasting Cable Information Network Corporation Ltd	22,800	18,300	(8,000)	5,340	38,440
Jiangsu Hengrui Medicine Co Ltd	44,722	7,300	(24,300)	7,145	34,867
Jiangsu Phoenix Publishing & Media Corporation Ltd	29,100	-	(10,200)	-	18,900
Jiangsu Protruly Vision Technology Group Co Ltd	-	29,900	(5,800)	-	24,100
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	23,029	900	(9,000)	-	14,929
Jiangxi Copper Co Ltd	31,690	-	(11,100)	-	20,590
Jihua Group Corporation Ltd	58,800	-	(20,600)	-	38,200
Jilin Aodong Medicine Industry Groups Co Ltd	27,242	-	(9,500)	-	17,742
Jinduicheng Molybdenum Co Ltd	36,867	-	(12,900)	-	23,967
Jizhong Energy Resources Co Ltd	40,390	-	(40,390)	-	-
Jointown Pharmaceutical Group Co Ltd	12,600	-	(12,600)	-	-
Juneyao Airlines Co Ltd	5,200	2,900	(1,700)	-	6,400

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31 December 2016

	At 1 January 2016	Additions	Disposals	Corporate actions	At 31 December 2016
Listed equities (continued)					
China (continued)					
Kangde Xin Composite Material Group Co Ltd (formerly known as Jiangsu Kangde Xin Composite Material Co Ltd)	48,906	-	(28,200)	40,349	61,055
Kangmei Pharmaceutical Co Ltd	117,346	900	(44,800)	-	73,446
Kweichow Moutai Co Ltd	19,162	100	(6,700)	-	12,562
Leo Group Co Ltd	-	15,900	-	-	15,900
Lepu Medical Technology Co Ltd	18,600	-	(31,600)	13,000	-
Leshi Internet Information & Technology (Beijing) Co Ltd	35,300	2,100	(11,900)	-	25,500
Liaoning Cheng Da Co Ltd	46,557	800	(17,100)	-	30,257
Luxin Venture Capital Group Co Ltd	11,400	-	(4,000)	-	7,400
Luxshare Precision Industry Co Ltd	19,041	8,760	(13,400)	6,620	21,021
Luzhou Laojiao Co Ltd	26,733	-	(9,400)	-	17,333
Material Industry Zhongda Group Co Ltd	-	27,500	(5,600)	6,480	28,380
MeiHua Holdings Group Co Ltd	71,100	-	(24,900)	-	46,200
Metallurgical Corporation of China Ltd	185,800	-	(65,200)	-	120,600
Midea Group Co Ltd	81,327	30,100	(35,500)	36,163	112,090
Muyuan Foodstuff Co Ltd	-	10,200	-	-	10,200
NARI Technology Development Co Ltd	55,567	-	(19,500)	-	36,067
Neusoft Co Ltd	33,678	3,300	(12,400)	-	24,578
New China Life Insurance Co Ltd	23,832	7,700	(10,900)	-	20,632
New Hope Liuhe Co Ltd	47,600	-	(27,000)	31,000	51,600
Ningbo Zhoushan Port Co Ltd (formerly known as Ningbo Port Co Ltd)	177,400	-	(79,600)	-	97,800
Northeast Securities Co Ltd	44,812	5,700	(15,800)	-	34,712
Oceanwide Holdings Co Ltd	52,100	4,800	(56,900)	-	-
Offshore Oil Engineering Co Ltd	84,300	-	(29,600)	-	54,700
Orient Securities Co Ltd	40,300	56,400	(19,600)	-	77,100
Ourpalm Co Ltd	56,500	11,600	(20,100)	-	48,000
Pacific Security Co Ltd	134,600	41,600	(65,800)	58,300	168,700
Pang Da Automobile Trade Co Ltd	123,600	36,800	(44,700)	-	115,700
Pangang Group Vanadium Titanium & Resources Co Ltd	163,800	-	(163,800)	-	-
People.cn Co Ltd	21,040	-	(7,400)	-	13,640
PetroChina Co Ltd	185,234	-	(65,000)	-	120,234
Ping An Bank Co Ltd	218,230	70,600	(111,200)	34,846	212,476
Ping An Insurance (Group) Co of China Ltd	413,092	12,400	(155,500)	-	269,992
Poly Real Estate Group Co Ltd	246,100	20,800	(90,800)	-	176,100
Power Construction Corporation of China	157,400	-	(55,300)	-	102,100
Qingdao Haier Co Ltd	121,546	-	(46,100)	-	75,446
Qinghai Salt Lake Potash Co Ltd	24,300	2,700	(8,600)	-	18,400

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31 December 2016

	At 1 January 2016	Additions	Disposals	Corporate actions	At 31 December 2016
Listed equities (continued)					
China (continued)					
Risesun Real Estate Development Co Ltd	58,334	5,500	(31,500)	-	32,334
SAIC Motor Corporation Ltd	126,185	-	(44,300)	-	81,885
Sanan Optoelectronics Co Ltd	54,805	-	(27,100)	22,743	50,448
Sany Heavy Industry Co Ltd	145,232	-	(51,000)	-	94,232
SDIC Essence Holdings Co Ltd	-	33,600	(6,200)	-	27,400
SDIC Power Holdings Co Ltd	129,420	13,600	(42,200)	-	100,820
Sealand Securities Co Ltd	53,540	18,600	(20,900)	21,770	73,010
Searainbow Holding Corporation	27,400	500	(10,100)	-	17,800
Shaanxi Coal Industry Co Ltd	76,300	-	(26,800)	-	49,500
Shandong Dong-E E-Jiao Co Ltd	19,996	-	(7,000)	-	12,996
Shandong Expressway Co Ltd	25,700	-	(25,700)	-	-
Shandong Gold Mining Co Ltd	27,125	300	(9,000)	-	18,425
Shandong Iron and Steel Co Ltd	-	41,100	(41,100)	-	-
Shandong Kingenta Ecological Engineering Co Ltd	23,800	6,900	(11,700)	19,800	38,800
Shanghai 2345 Network Holdings Group Co Ltd	10,000	11,400	(5,500)	8,000	23,900
Shanghai Bailian Group Co Ltd	29,400	-	(9,500)	-	19,900
Shanghai Bairun Investment Holding Group Co Ltd	-	5,100	(700)	-	4,400
Shanghai Construction Co Ltd	67,995	40,200	(30,200)	10,299	88,294
Shanghai Electric Group Co Ltd	112,700	-	(32,700)	-	80,000
Shanghai Electric Power Co Ltd	32,600	-	(9,500)	-	23,100
Shanghai Fosun Pharmaceutical (Group) Co Ltd	44,849	700	(20,700)	-	24,849
Shanghai International Airport Co Ltd	36,728	-	(12,900)	-	23,828
Shanghai International Port Group Co Ltd	123,720	-	(43,400)	-	80,320
Shanghai Jahwa United Co Ltd	20,558	-	(20,558)	-	-
Shanghai Jinjiang International Hotels Development Co Ltd	-	4,000	-	-	4,000
Shanghai Lujiazui Finance & Trade Zone Development Co Ltd	15,520	-	(6,600)	9,936	18,856
Shanghai Oriental Pearl Media Co Ltd	70,080	-	(37,600)	-	32,480
Shanghai Pharmaceutical Co Ltd	43,964	-	(15,400)	-	28,564
Shanghai Pudong Development Bank Co Ltd	355,700	19,300	(182,800)	23,390	215,590
Shanghai RAAS Blood Products Co Ltd	21,010	-	(7,600)	11,208	24,618
Shanghai SMI Holding Co Ltd	57,000	-	(11,500)	-	45,500
Shanghai Tunnel Engineering Co Ltd	60,000	6,500	(19,800)	-	46,700
Shanghai Waigaoqiao FTZ Development Co Ltd	14,253	100	(5,100)	-	9,253
Shanghai Wangsu Science & Technology Co Ltd	18,672	1,000	(7,900)	-	11,772

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO

31 December 2016

	At 1 January 2016	Additions	Disposals	Corporate actions	At 31 December 2016
Listed equities (continued)					
China (continued)					
Shanghai Zhangjiang Hi-Tech Park Development Co Ltd	29,500	-	(10,300)	-	19,200
Shanxi Lu'an Enviroment Energy Development Co Ltd	45,670	-	(45,670)	-	-
Shanxi Securities Co Ltd	48,000	2,600	(22,600)	-	28,000
Shanxi Taigang Stainless Steel Co Ltd	86,900	-	(86,900)	-	-
Shanxi Xishan Coal & Electricity Power Co Ltd	60,100	39,000	(60,100)	-	39,000
Shenergy Co Ltd	86,800	-	(86,800)	-	-
Shenwan Hongyuan Group Co Ltd	169,935	47,400	(114,800)	46,422	148,957
Shenzhen Agricultural Products Co Ltd	32,391	-	(15,600)	-	16,791
Shenzhen Energy Group Co Ltd	45,400	-	(16,000)	-	29,400
Shenzhen Hepalink Pharmaceutical Co Ltd	9,125	-	(13,400)	4,275	-
Shenzhen Infogem Technologies Co Ltd	-	8,200	(1,400)	-	6,800
Shenzhen Inovance Technology Co Ltd	18,100	3,600	(10,300)	12,398	23,798
Shenzhen Kingdom Sci-Tech Co Ltd	-	15,200	(2,800)	-	12,400
Shenzhen O-film Tech Co Ltd	27,550	400	(9,100)	-	18,850
Shenzhen Overseas Chinese Town Co Ltd	140,200	-	(59,000)	-	81,200
Shenzhen Salubris Pharmaceuticals Co Ltd	11,948	-	(11,948)	-	-
Shenzhen Zhongjin Lingnan Nonfemet Co Ltd	50,590	4,500	(16,800)	-	38,290
Siasun Robot & Automation Co Ltd	18,900	300	(12,700)	20,520	27,020
Sichuan Changhong Electric Co Ltd	140,800	-	(49,400)	-	91,400
Sichuan Chuantou Energy Co Ltd	83,900	-	(29,400)	-	54,500
Sichuan Kelun Pharmaceutic Co Ltd	33,000	-	(33,000)	-	-
Sinolink Securities Co Ltd	69,186	5,500	(22,300)	-	52,386
Sinopec Oilfield Service Corporation	-	53,100	(8,400)	-	44,700
Sinopec Shanghai Petrochemical Co Ltd	83,600	-	(29,400)	-	54,200
Songcheng Performance Development Co Ltd	21,800	-	(7,400)	-	14,400
Soochow Security Co Ltd	82,366	1,400	(31,800)	-	51,966
Southwest Securities Co Ltd	107,690	-	(37,800)	-	69,890
Spring Airlines Co Ltd	9,200	100	(3,400)	-	5,900
Suning Commerce Group Co Ltd	168,900	-	(76,700)	-	92,200
Suning Universal Co Ltd	-	30,000	-	-	30,000
Sunshine City Group Co Ltd	-	40,100	-	-	40,100
Suzhou Gold Mantis Constructions	33,643	5,500	(13,700)	13,821	39,264

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31 December 2016

	At 1 January 2016	Additions	Disposals	Corporate actions	At 31 December 2016
Listed equities (continued)					
China (continued)					
Suzhou Victory Precision Manufacture Co Ltd	-	42,300	-	-	42,300
Tasly Pharmaceutical Group Co Ltd	24,724	-	(8,700)	-	16,024
TBEA Co Ltd	99,137	13,800	(32,700)	-	80,237
TCL Corporation	325,800	-	(107,700)	-	218,100
Tian Di Science & Technology Co Ltd	-	48,700	(7,700)	-	41,000
Tianjin Port Co Ltd	31,900	-	(31,900)	-	-
Tianjin Zhonghuan Semiconductor Co Ltd	52,560	-	(11,400)	-	41,160
Tianqi Lithium Industries Inc	-	14,800	-	-	14,800
Tonghua Dongbao Pharmaceutical Co Ltd	30,280	200	(10,700)	4,856	24,636
Tongling Nonferrous Metals Group Co Ltd	145,800	78,800	(59,000)	-	165,600
Tsinghua Tongfang Co Ltd	67,800	-	(23,800)	-	44,000
Tsinghua Unisplendour Co Ltd	-	3,600	-	-	3,600
Tsingtao Brewery Co Ltd	10,636	-	(10,636)	-	-
Tus-Sound Environmental Resources Co Ltd	19,419	200	(6,900)	-	12,719
Unigroup Guozin Co Ltd	-	9,000	-	-	9,000
Universal Scientific Industrial Co Ltd	12,486	-	(12,486)	-	-
Wanda Cinema Line Co Ltd	4,700	10,000	(3,100)	-	11,600
WanHua Chemical Group Co Ltd	41,206	-	(14,400)	-	26,806
Wanxiang Qianchao Co Ltd	43,760	-	(15,400)	-	28,360
Wasu Media Holdings Co Ltd	4,900	12,400	(3,100)	-	14,200
Weichai Power Co Ltd	92,324	-	(32,400)	-	59,924
Weifu High-Technology Co Ltd	19,177	-	(19,177)	-	-
Western Securities Co Ltd	42,600	6,800	(14,800)	-	34,600
Wintime Energy Co Ltd	128,040	35,900	(40,900)	-	123,040
Wonders Information Co Ltd	-	21,400	(3,700)	-	17,700
Wuhan Iron and Steel Co Ltd	154,000	4,700	(33,800)	-	124,900
Wuliangye Yibin Co Ltd	72,379	-	(25,400)	-	46,979
XCMG Construction Machinery Co Ltd	162,100	-	(53,000)	-	109,100
Xiamen C&D Inc	83,258	-	(41,200)	-	42,058
Xiamen Tungsten Co Ltd	16,484	-	(16,484)	-	-
Xinhu Zhongbao Co Ltd	104,100	42,800	(61,800)	-	85,100
Xinjiang Goldwind Science & Technology Co Ltd	59,700	-	(21,000)	-	38,700
Xinxing Ductile Iron Pipes Co Ltd	83,400	-	(29,300)	-	54,100
XJ Electric Co Ltd	23,050	-	(23,050)	-	-
Yantai Jereh Oilfield Services Group Co Ltd	18,281	-	(18,281)	-	-
Yanzhou Coal Mining Co Ltd	14,699	-	(5,200)	-	9,499

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO

31 December 2016

	At 1 January 2016	Additions	Disposals	Corporate actions	At 31 December 2016
Listed equities (continued)					
China (continued)					
Yingkou Port Group Co Ltd	74,100	-	(74,100)	-	-
Yonghui Superstores Co Ltd	77,562	5,800	(52,200)	63,562	94,724
Yonyou Network Technology Co Ltd	22,224	3,400	(7,500)	-	18,124
Youngor Group Co Ltd	59,405	-	(21,400)	-	38,005
Youzu Interactive Co Ltd	-	8,500	-	-	8,500
Yunnan Baiyao Group Co Ltd	19,843	-	(4,400)	-	15,443
Zhejiang China Commodities City Group Co Ltd	103,800	-	(36,400)	-	67,400
Zhejiang CHINT Electrics Co Ltd	-	9,800	-	-	9,800
Zhejiang Dahua Technology Co Ltd	26,512	-	(25,900)	35,268	35,880
ZheJiang Daily Media Group Co Ltd	27,100	-	(27,100)	-	-
Zhejiang Huace Film & TV Co Ltd	16,650	-	(7,500)	8,190	17,340
Zhejiang Longsheng Group Co Ltd	86,866	-	(30,500)	-	56,366
Zhejiang Wanfeng Auto Wheel Co Ltd	-	22,599	-	-	22,599
Zhejiang Yasha Decoration Co Ltd	25,490	-	(25,490)	-	-
Zhejiang Zheneng Electric	103,760	35,800	(38,600)	-	100,960
Zhengzhou Yutong Bus Co Ltd	50,701	-	(17,800)	-	32,901
Zhongjin Gold Co Ltd	56,111	5,200	(18,600)	-	42,711
Zhongtian Urban Development Group Co Ltd	65,700	26,400	(26,300)	-	65,800
Zijin Mining Group Co Ltd	361,600	30,500	(118,300)	-	273,800
Zoomlion Heavy Industry Science & Technology Co Ltd	167,569	-	(58,800)	-	108,769
ZTE Corporation	89,971	-	(31,100)	-	58,871

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PERFORMANCE TABLE

31 December 2016

1. Net Asset Value

	Net assets per unit RMB	Total net asset value RMB
31 December 2016	12.1415	230,688,150
31 December 2015	13.7801	378,953,756
31 December 2014	12.9058	696,911,314

2. Highest issue and lowest redemption prices per unit

	Highest issue unit price RMB	Lowest redemption unit price RMB
Year ended 31 December 2016	13.1305	10.5903
Year ended 31 December 2015	19.7223	11.1933
Period from 5 March 2014 (date of inception) to 31 December 2014	12.9350	7.6607

3. Comparison of the scheme performance and the actual Index performance

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:

	CSI300 Index	RMB Counter of the Sub-Fund	HKD Counter of the Sub-Fund
During the year/period ended			
31 December 2016	-11.28%	-11.84%	-16.64%
31 December 2015	5.58%	6.87%	0.73%
31 December 2014 ¹	62.97%	62.46%	59.32%

¹Year of inception