

ChinaAMC Global ETF Series

ChinaAMC Hang Seng Stock Connect

Hong Kong SmallCap Index ETF

Annual Report

For the period from 23 October 2015 (date of inception) to

31 December 2016



华夏基金
ChinaAMC

ANNUAL REPORT

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap
Index ETF

(Formerly known as ChinaAMC Hang Seng SmallCap Index
ETF)

(a Sub-Fund of ChinaAMC Global ETF Series)

For the period from 23 October 2015 (date of inception) to
31 December 2016

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

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ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

MANAGEMENT AND ADMINISTRATION

Manager

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

Directors of the Manager

Yang Minghui
Zhang Xiaoling
Gan Tian

Trustee and Registrar

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

Auditor

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

Conversion Agent

HK Conversion Agency Services Limited
1/F One & Two Exchange Square
8 Connaught Place
Central, Hong Kong

Listing Agent

Altus Capital Limited
21 Wing Wo Street
Central, Hong Kong

Legal Adviser to the Manager

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

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

MANAGEMENT AND ADMINISTRATION (continued)

Participating Dealers

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

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

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

Merrill Lynch Far East Limited
55/F, Cheung Kong Center
2 Queen's Road
Central, Hong Kong

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

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

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

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF (formerly known as ChinaAMC Hang Seng SmallCap Index ETF) (the “Sub-Fund”), a sub-fund of ChinaAMC Global ETF Series (the “Trust”), an umbrella unit trust established under Hong Kong law by a trust deed dated 17 September 2015, as amended or supplemented from time to time (the “Trust Deed”), between China Asset Management (Hong Kong) Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”). The Sub-Fund is a physical exchange traded fund investing directly in underlying shares.

Its HKD counter (stock code: 03157) commenced trading on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 26 October 2015. The Sub-Fund is an index-tracking fund that seeks to track the performance of the Hang Seng Composite SmallCap Index (the “Index”), which was changed to Hang Seng Stock Connect Hong Kong SmallCap Index effective from 3 March 2017.

The Manager primarily uses a full replication strategy through investing directly in securities included in the index in substantially the same weightings in which they are included in the index.

The Manager may also use a representative sampling strategy where it is not possible to acquire certain securities which are constituents of the index due to restrictions or limited availability. This means that the Sub-Fund will invest directly in a representative sample of securities that collectively has an investment profile that aims to reflect the profile of the index. The securities constituting the representative sample may or may not themselves be constituents of the index.

Performance of the Sub-Fund

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

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

	1-Month	3-Month	Since Launch
The Index	-4.63%	-2.50%	-10.75% ³
HKD Counter of the Sub-Fund (NAV-to-NAV)	-4.58%	-2.72%	-12.36% ³
HKD Counter of the Sub-Fund (Market-to-Market)	-8.52%	-7.30%	-16.53% ³

Activities of the Sub-Fund

According to Bloomberg, the average daily trading volume of the Sub-Fund was approximately 24,083 units from 1 January 2016 to 31 December 2016. As of 31 December 2016, there were 5,000,000 units outstanding.

Activities of the Index

There were 2 rebalances for the Index from 1 January 2016 to 31 December 2016. As of 31 December 2016, the Sub-Fund was comprised of all 179 constituent stocks in the Index.

China Asset Management (Hong Kong) Limited
25 April 2017

¹ Source: Bloomberg, as of 31 December 2016. Performances of Hang Seng SmallCap Index and HKD Counter of the Sub-Fund are calculated in HKD.

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

³ Calculated from 26 October 2015 to 31 December 2016

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, China Asset Management (Hong Kong) Limited, the Manager of ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF, a sub-fund of ChinaAMC Global ETF Series has, in all material respects, managed the Sub-Fund in accordance with the provisions of the trust deed dated 17 September 2015, as amended or supplemented from time to time for the period from 23 October 2015 (date of inception) to 31 December 2016.

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HSBC Institutional Trust Services (Asia) Limited
25 April 2017

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

Manager's responsibilities

China Asset Management (Hong Kong) Limited (the "Manager"), the Manager of the ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF (formerly known as ChinaAMC Hang Seng SmallCap Index ETF) (the "Sub-Fund"), a sub-fund of ChinaAMC Global ETF Series (the "Trust"), 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 17 September 2015, as amended or supplemented from time to time (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 judgements 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.

The Trust is an umbrella unit trust governed by its Trust Deed. As at 31 December 2016, the Trust has established one Sub-Fund.

Trustee's responsibilities

The Trustee of the Sub-Fund is required to:

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

Independent auditor's report

To the unitholders of ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF (a Sub-Fund of ChinaAMC Global ETF Series)

Opinion

We have audited the financial statements of ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF (formerly known as ChinaAMC Hang Seng SmallCap Index ETF) (a sub-fund of ChinaAMC Global ETF Series (the "Trust") and referred to as the "Sub-Fund") set out on pages 11 to 37 which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the period from 23 October 2015 (date of inception) to 31 December 2016, 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 disposition of the Sub-Fund as at 31 December 2016, and of its financial transactions and cash flows for the period from 23 October 2015 (date of inception) to 31 December 2016 in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board. 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 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 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 dated 17 September 2015, as amended or supplemented from time to time (the "Trust Deed") and the relevant disclosure provisions specified in Appendix E to the Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission of Hong Kong (the "SFC Code"). 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 ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global 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, financial assets at fair value through profit or loss amounted to HKD108,466,539 which represented 99.65% of the net asset value of the Sub-Fund. These financial assets were listed shares on the Hong Kong Stock Exchange and there were 179 constituent listed shares in the Sub-Fund. They were kept by one custodian and measured at fair value. Furthermore, as at 31 December 2016, equity investments amounting to HKD1,286,215 were suspended shares which represented 1.18% of the net asset value of the Sub-Fund. We focused on this area because financial assets at fair value through profit or loss represented the principal element of the financial statements and significant assumptions and judgement were 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, and agreed 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 in which 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 reasonableness of the assumptions made by the management and we reviewed the financial statement disclosures regarding fair value hierarchy as set out in note 10 to the financial statements.</p>

Other information in the Annual Report

The Manager and Trustee of the Sub-Fund are responsible for the other information. The other information comprises the information included in this annual report, other than the financial statements and our auditor's report thereon.

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.

Independent auditor's report (continued)

To the unitholders of ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

Responsibilities of the Manager and Trustee for the financial statements

The Manager and Trustee are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and are responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in the SFC Code, and for such internal control as the Manager and the Trustee 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 Manager and Trustee 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 Manager and Trustee either intend to liquidate the Sub-Fund or to cease operations, or have no realistic alternative but to do so.

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 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 disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

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 Manager and Trustee.

Independent auditor's report (continued)

To the unitholders of ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

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

- Conclude on the appropriateness of the Manager and Trustee'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 Manager and the Trustee 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 Manager and Trustee 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 Manager and Trustee, 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 ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Wong Sui Yan.

Certified Public Accountants
Hong Kong
25 April 2017

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

STATEMENT OF FINANCIAL POSITION

31 December 2016

	Notes	HKD
ASSETS		
Financial assets at fair value through profit or loss	10	108,466,539
Dividend receivables		99,531
Cash and cash equivalents	11	684,745
Prepayments and other receivables		32,001
TOTAL ASSETS		<u>109,282,816</u>
LIABILITIES		
Audit fee payable		117,000
Management fee payable	5(a)	49,715
Trustee and registrar fees payable	5(a)	58,945
Other payables and accruals		214,350
TOTAL LIABILITIES		<u>440,010</u>
EQUITY		
Net asset value attributable to unitholders	12	<u>108,842,806</u>
TOTAL LIABILITIES AND EQUITY		<u>109,282,816</u>
Number of units in issue	12	<u>5,000,000</u>
Net asset value per unit	12	<u>21.7686</u>

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

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

STATEMENT OF COMPREHENSIVE INCOME

For the period from 23 October 2015 (date of inception) to 31 December 2016

	Notes	HKD
INCOME		
Dividend income		3,830,947
Interest income		31
		<u>3,830,978</u>
EXPENSES		
Management fee	5(a)	(956,568)
Trustee and registrar fees	5(a)	(402,702)
Accounting professional fees		(75,000)
Audit fees		(117,000)
Transaction fees		(785,829)
Legal fees		(144,504)
Safe custody and bank charges		(55,506)
Formation costs		(1,500,000)
Other operating expenses		(290,054)
		<u>(4,327,163)</u>
LOSS BEFORE INVESTMENT LOSSES AND EXCHANGE DIFFERENCES		<u>(496,185)</u>
INVESTMENT LOSSES AND EXCHANGE DIFFERENCES		
Net realised gains or losses on financial assets at fair value through profit or loss		(15,180,482)
Net change in unrealised gains or losses on financial assets at fair value through profit or loss		(10,941,030)
Foreign exchange losses		(24)
		<u>(26,121,536)</u>
LOSS BEFORE TAX		<u>(26,617,721)</u>
Withholding tax expense	8	(124,320)
TOTAL COMPREHENSIVE INCOME		<u><u>(26,742,041)</u></u>

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

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 23 October 2015 (date of inception) to 31 December 2016

	HKD
At 23 October 2015 (date of inception)	-
Issue of units during the period	219,046,567
Redemption of units during the period	(83,461,720)
Total comprehensive income	(26,742,041)
At 31 December 2016	<u>108,842,806</u>

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

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

STATEMENT OF CASH FLOWS

For the period from 23 October 2015 (date of inception) to 31 December 2016

	Note	HKD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		(26,617,721)
Adjustments for:		
Dividend income		(3,830,947)
Interest income		(31)
Net realised gains or losses on financial assets at fair value through profit or loss		15,180,482
Net change in unrealised gains or losses on financial assets at fair value through profit or loss		10,941,030
		<hr/>
Operating loss before changes in working capital		(4,327,187)
		<hr/>
Purchase of financial assets at fair value through profit or loss		(296,668,053)
Proceeds from sale of financial assets at fair value through profit or loss		78,618,282
Increase in prepayments and other receivables		(32,001)
Increase in audit fee payable		117,000
Increase in management fee payable		49,715
Increase in trustee and registrar fees payable		58,945
Increase in other payables and accruals		214,350
		<hr/>
Cash used in operations		(221,968,949)
		<hr/>
Dividend received		3,731,416
Interest received		31
Tax paid		(124,320)
		<hr/>
Net cash flows used in operating activities		(218,361,822)
		<hr/>
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issue of units and net cash flows from financing activity		219,046,567
		<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS		684,745
Cash and cash equivalents at the beginning of the period		-
		<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		684,745
		<hr/> <hr/>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at bank	11	684,745
		<hr/> <hr/>

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

NOTES TO FINANCIAL STATEMENTS

31 December 2016

1. THE TRUST

ChinaAMC Global ETF Series (the "Trust") is an umbrella unit trust governed by its trust deed dated 17 September 2015, as amended or supplemented from time to time (the "Trust Deed") between China 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, ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF (formerly known as ChinaAMC Hang Seng SmallCap Index ETF) (the "Sub-Fund"). The date of inception of the Sub-Fund was 23 October 2015. The Sub-Fund commenced trading under stock code: 03157 on the Stock Exchange of Hong Kong Limited (the "SEHK") on 26 October 2015.

The investment objective of the Sub-Fund is to provide investment results that closely correspond to the performance of the Hang Seng Composite SmallCap Index (the "Index"). The Sub-Fund is a physical exchange traded fund investing directly in the underlying H-Shares of the Index.

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 Code on Unit Trusts and Mutual Funds of the SFC (the "SFC Code").

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

NOTES TO FINANCIAL STATEMENTS

31 December 2016

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Sub-Fund has not early applied any of the new and revised IFRSs that have been issued but are not yet effective for the accounting period ended 31 December 2016, in these financial statements. Among the new and revised IFRSs, the following are expected to be relevant to the Sub-Fund's financial statements upon becoming effective:

IFRS 9	<i>Financial Instruments</i> ²
IFRS 15	<i>Revenue from Contracts with Customers</i> ²
Amendments to IAS 7	<i>Disclosure Initiative</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2017

² Effective for annual periods beginning on or after 1 January 2018

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 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.

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

The 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 IFRS 9, IFRS 15 and amendments to IAS 7, and plans to adopt the new and revised standards on the required effective dates.

NOTES TO FINANCIAL STATEMENTS

31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(i) Classification

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

Financial assets at fair value through profit or loss

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

Loans and receivables

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

Financial liabilities

This category includes all financial liabilities. 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 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 designated as at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iv) Subsequent measurement (continued)

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 of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Sub-Fund's continuing involvement in the asset. In that case, the Sub-Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Fund has retained. The Sub-Fund derecognises a financial liability when the obligation under the liability is discharged.

NOTES TO FINANCIAL STATEMENTS

31 December 2016

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 account 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 FINANCIAL STATEMENTS

31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Sub-Fund assesses at the end of each reporting period whether a financial asset or a 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.

Offsetting financial instruments

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

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand 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 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-rate share of the Sub-Fund's net assets.
- (e) the total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on 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 instruments or contracts that have:

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

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

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

Upon issuance of redeemable units, the consideration received is included in equity. Transaction costs incurred by the Sub-Fund in issuing or 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 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 the statement of comprehensive income.

Interest income and expenses

Interest income and expense recognised in the statement 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 disposal of financial investments

Net realised gains and losses on disposal 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 HKD, 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 in the statement of comprehensive income as part of the 'net gain or loss on financial assets and liabilities at fair value through profit or loss.

Functional currency

The Sub-Fund's functional currency is HKD, 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 HKD. Moreover, the net asset value per unit at the time of issue or redemption is determined and units quoted on the Hong Kong Stock Exchange are denominated in HKD. Therefore, the HKD 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 HKD.

NOTES TO FINANCIAL STATEMENTS

31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Distributions to unitholders

Distributions are intended to be at least annually having regard to the Sub-Fund's net income after fees and costs. 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 period 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 the statement comprehensive income. 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 a group of which it is a part, provides key management personnel services to the Sub-Fund or to the parent of the Sub-Fund.

NOTES TO 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 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 Manager has made an assessment of the Sub-Fund's ability to continue as a going concern and is satisfied that the Sub-Fund has the 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.

Taxation

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

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

The following is a summary of significant related party transactions entered into during the period between the Sub-Fund, the Trustee, Manager and their Connected Persons. Connected Persons of the Manager are those as defined in SFC Code. All transactions entered into during the period between the Sub-Fund and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with Connected Persons except for those disclosed below.

(a) Fees

Management fee

The Manager is entitled to receive management fee of up to 1% per annum of the net asset value of the Sub-Fund. The management fee is currently at a rate of 0.5% per annum with respect to the net asset value of the Sub-Fund calculated and accrued on each valuation day and is paid monthly in arrears.

The management fee incurred during the period from 23 October 2015 (date of inception) to 31 December 2016 was HKD956,568. As at 31 December 2016, a management fee of HKD49,715 was payable to the Manager.

NOTES TO FINANCIAL STATEMENTS

31 December 2016

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

(a) Fees (continued)

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 HKD50,000:

	Trustee fee percentage per annum
For the first HKD1,000 million	0.10%
For the next HKD1,000 million	0.08%
Thereafter	0.06%

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

The Trustee is also entitled to an inception fee of HKD30,000 for the establishment of the Sub-Fund.

The trustee fee incurred during the period from 23 October 2015 (date of inception) to 31 December 2016 was HKD281,613. As at 31 December 2016, a trustee fee of HKD50,819 was payable to the Trustee.

Registrar fee

The Trustee, acting as the Registrar, is also entitled to receive a registrar fee of HKD120 per participating dealer per transaction for updating the register record of the Sub-Fund.

The registrar fee incurred during the period from 23 October 2015 (date of inception) to 31 December 2016 was HKD121,089. As at 31 December 2016, a registrar fee of HKD8,126 was payable to the Trustee.

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

The investments and bank balances deposited with the Trustee as at 31 December 2016 are summarised below.

As at 31 December 2016	Note	HKD
<u>Investments</u>		
HSBC Institutional Trust Services (Asia) Limited	10	108,466,539
<u>Bank balances</u>		
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	11	684,745

NOTES TO FINANCIAL STATEMENTS

31 December 2016

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

(c) Investment transactions with connected persons of the Manager

CITIC Securities Brokerage (HK) Limited was the Manager's affiliate.

	Aggregate value of purchases and sales of securities HKD	Total commission paid HKD	% of Sub-Fund's total transactions during the period %	Average commission Rate %
<u>2016</u>				
CITIC Securities Brokerage (HK) Limited	37,926,034	37,992	8.27%	0.10%

6. MAJOR NON-CASH TRANSACTIONS

During the period from 23 October 2015 (date of inception) to 31 December 2016, the unitholders redeemed 3,800,000 units in exchange for a basket of equity securities of the Sub-Fund's underlying index shares valued at a total of HKD83,461,720.

7. SOFT COMMISSION ARRANGEMENTS

The Manager and its connected persons have not received any soft dollar commissions or entered into any soft dollar arrangements in respect of the management of the Sub-Fund during the period from 23 October 2015 (date of inception) to 31 December 2016. The Manager and its connected persons have not retained any cash rebates from any broker or dealer.

8. TAXATION

Hong Kong 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.

Distribution tax

A 10% PRC withholding tax has been levied on dividend 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 period from 23 October 2015 (date of inception) to 31 December 2016 was HKD124,320.

NOTES TO FINANCIAL STATEMENTS

31 December 2016

9. DISTRIBUTIONS

There were no distributions made by the Sub-Fund for the period from 23 October 2015 (date of inception) to 31 December 2016.

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.

10. 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:

	Level 1 HKD'000	Level 2 HKD'000	Level 3 HKD'000	Total HKD'000
2016				
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	107,181	594	692	108,467

Transfers between Level 1 and Level 2

As at 31 December 2016, the Sub-Fund reclassified one listed equity security from Level 1 to Level 2 following the suspension of trading of the investments. The listed equity security is Yingde Gases Group Co Ltd (stock code: 2168). The listed equity security was temporarily suspended from trading as at 31 December 2016 and resumed from suspension before the date of authorisation of the financial statements for the period from 23 October 2015 (date of inception) to 31 December 2016.

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

	Transfer from Level 1 to Level 2 2016 HKD
Financial assets designated as at fair value through profit or loss	
- Listed equity securities	<u>594,090</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2016

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

Transfers between Level 1 and Level 2 (continued)

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 three listed equity securities from Level 1 to Level 3 following the suspension of trading of the investments. Those financial assets are namely (1) Fuguiniao Co Ltd (stock code: 1819), (2) Dongyue Group (stock code: 189) and (3) Hua Han Health Industry Holdings Ltd (stock code: 587).

The listed equity securities suspended trading as at 31 December 2016 and were still suspended from trading during the period between the end of the reporting period as at 31 December 2016 and the date of authorisation of the Sub-Fund's financial statements for the period from 23 October 2015 (date of inception) to 31 December 2016.

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

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

	Transfer from Level 1 to Level 3 2016 HKD
Financial assets designated as at fair value through profit or loss	
- Listed equity securities	<u>692,125</u>

Valuation techniques

Level 1

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2016

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

Valuation techniques (continued)

Level 2

Due to the absence of a quoted price in an active market, the Manager applied the market approach in which they used the last traded price before the trading suspension as there was no expected material gap-down. Adjustments were made to the valuations when necessary to recognise the differences of timing between the date of suspension and resumption of trading which was within a reasonable time and the price fluctuation when the investments resume trading subsequent to the period end. To the extent that the significant inputs were observable, the Sub-Fund categorised these investments as Level 2.

Level 3

The valuation of suspended investment is performed on a daily basis by the portfolio manager of the Manager and reviewed by the senior management of the Manager and the Trustee. The fair value of suspended investments which do not resume trading in a short period of time subsequent to period end, for which there was an absence of quoted prices, the fair value was estimated by the Manager using the market approach in which the last traded price before their suspension were used and then adjusted by applying a liquidity discount. Such valuation method is generally accepted in the industry. The model incorporates unobservable inputs which include the qualitative assessment. The Sub-Fund classified the fair value of these investments as Level 3.

Quantitative information of significant unobservable inputs - Level 3

Description	HKD	Valuation technique	Unobservable input
31 December 2016			
Equity securities			
- Equity investment	692,125	Market Approach	Liquidity Discount

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

As at 31 December 2016

	Input	Change in the liquidity discount	Effect on the fair value of investment RMB	Effect on the net assets attributable to unitholders RMB
Equity securities				
- Equity investment	Liquidity Discount	5%	(34,606)	(34,606)
	Liquidity Discount	5%	34,606	34,606

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the period from 23 October 2015 (date of inception) to 31 December 2016.

NOTES TO FINANCIAL STATEMENTS

31 December 2016

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

Level 3 reconciliation (continued)

	Financial assets designated as at fair value through profit or loss Equity securities 2016 HKD
Opening balance	-
Transfer into Level 3	<u>692,125</u>
Closing balance	<u>692,125</u>
Total gains and losses for the period included in net change in unrealised gains/(losses) on financial assets at fair value through profit or loss for the period	<u>(1,455,455)</u>

11. CASH AND CASH EQUIVALENTS

	2016 HKD
Cash at bank	<u>684,745</u>

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

12. THE REDEEMABLE UNITS

	Units
Number of units in issue upon inception	8,400,000
Units issued	400,000
Units redeemed	<u>(3,800,000)</u>
Number of units in issue at 31 December 2016	<u>5,000,000</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.

NOTES TO FINANCIAL STATEMENTS

31 December 2016

12. THE REDEEMABLE UNITS (continued)

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

Units are denominated in 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 securities and/or cash.

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

	HKD
Published net assets attributable to unitholders (Note)	109,985,286
Recognition of preliminary expense	(1,142,480)
	108,842,806
Net assets attributable to unitholders (per financial statements)	108,842,806

Note:

The published 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.

	Published net assets per unit HKD	Net assets per unit (per audited financial statements) HKD
Net assets attributable to holders of redeemable units per unit	21.9971	21.7686

13 INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

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

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

- (a) the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the Index; and

NOTES TO FINANCIAL STATEMENTS

31 December 2016

13 INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (continued)

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

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

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

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 Index as at 31 December 2016.

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2016

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk Management (continued)

(a) Market risk (continued)

(i) Equity price risk (continued)

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

	Fair value HKD	% of net asset value HKD
Share holdings		
By sectors		
Basic Materials	7,874,392	7.23%
Communications	4,213,438	3.87%
Consumer, Cyclical	20,126,557	18.49%
Consumer, Non-cyclical	19,588,005	18.00%
Diversified	1,642,769	1.51%
Energy	3,474,416	3.19%
Financial	13,631,801	12.52%
Industrial	29,499,659	27.10%
Technology	6,037,167	5.55%
Utilities	2,378,335	2.19%
	<u>108,466,539</u>	<u>99.65%</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 Index was to increase by 5% with all other variables held constant, the profit before tax of the Sub-Fund for the period would have increased by approximately HKD5,423,327. Conversely, if the Index was to decrease by 5%, the operating profit for the period would have decreased by an approximately equal amount.

NOTES TO FINANCIAL STATEMENTS

31 December 2016

14. FINANCIAL RISK 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.

(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 were denominated in the Sub-Fund's functional currency. Assets and liabilities held by the Sub-Fund are mainly denominated in HKD, 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 the 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 Custodian and their related credit ratings from Moody's:

NOTES TO FINANCIAL STATEMENTS

31 December 2016

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk Management (continued)

(b) Credit and counterparty risk (continued)

	HKD	Credit rating	Source of credit rating
As at 31 December 2016			
<u>Bank</u>			
HSBC	684,745	A1	Moody's
<u>Custodian</u>			
HSBC Institutional Trust Services (Asia) Limited	108,466,539	A1	Moody's

The Sub-Fund's maximum exposure to credit risk as at 31 December 2016 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 difficulties in meeting its 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.

The table below summarises the maturity profile of the 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

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2016

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk Management (continued)

(c) Liquidity risk (continued)

	Less than 1 month HKD'000	1 to 12 months HKD'000	Total HKD'000
As at 31 December 2016			
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	107,775	692	108,467
Dividend receivables	-	99	99
Cash and cash equivalents	685	-	685
Prepayments and other receivables	32	-	32
Total	<u>108,492</u>	<u>791</u>	<u>109,283</u>
<u>Financial liabilities</u>			
Audit fee payable	-	117	117
Management fee payable	50	-	50
Trustee and registrar fees payable	59	-	59
Other payables and accruals	214	-	214
	<u>323</u>	<u>117</u>	<u>440</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.

NOTES TO FINANCIAL STATEMENTS

31 December 2016

15. SEGMENT INFORMATION

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

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

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

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

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.

16. EVENTS AFTER THE REPORTING PERIOD

During the period between the period end date and the date of authorisation of these financial statements, there was no subscription but redemption of 600,000 units of the Sub-Fund.

With effect from 3 March 2017, the index of the Sub-Fund was changed from the Index to the Hang Seng Stock Connect Hong Kong SmallCap Index. As a result of the change of index, the name of the Sub-Fund was changed to ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF from 3 March 2017.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 25 April 2017.

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

INVESTMENT PORTFOLIO

As at 31 December 2016

	Holdings	Fair value HKD	% of Net Assets
Listed equities			
<u>Hong Kong</u>			
Basic Materials			
Angang Steel Co Ltd	216,700	998,987	0.92
China Bluechemical Ltd	352,900	758,735	0.70
China Hanking Holdings Ltd	127,100	138,539	0.13
China Molybdenum Co Ltd	751,500	1,420,335	1.30
China Metal Resources Utilization Ltd	180,600	539,994	0.50
Dongyue Group	282,400	28	0.00
Fufeng Group Ltd	232,800	886,968	0.81
G-Resources Group Ltd	4,628,810	657,291	0.60
Maanshan Iron & Steel	343,900	777,214	0.71
Yingde Gases Group Co Ltd	207,000	594,090	0.55
Zhaojin Mining Industry Co Ltd	165,249	1,102,211	1.01
Communications			
CITIC Telecom International Holdings Ltd	303,700	707,621	0.65
Comba Telecom Systems Holdings Ltd	273,271	377,114	0.35
Coolpad Group Limited	649,300	519,440	0.48
HKBN Ltd	151,679	1,290,788	1.18
Huayi Tencent Entertainment Co Ltd	1,344,800	632,056	0.58
Pacific Online	90,300	181,503	0.17
Suncorp Technologies Ltd	2,576,700	141,719	0.13
Wisdom Sports Group	144,700	363,197	0.33
Consumer, Cyclical			
361 Degrees International	123,400	370,200	0.34
Ajisen China Holdings Ltd	119,491	377,592	0.35
Best Pacific International Holdings Ltd	71,500	426,140	0.39
Bosideng International Holdings Ltd	617,000	413,390	0.38
China Dongxiang Group Co	661,100	925,540	0.85
China Harmony New Energy Auto Hldg Ltd	156,400	434,792	0.40
China Lilang Ltd	95,700	418,209	0.38
China LotSynergy Hldgs Ltd	1,541,700	385,425	0.35
China Minsheng Drawin Technology Group Limited	810,400	176,667	0.16
Citychamp Watch & Jewellery	259,200	492,480	0.45
Dah Chong Hong Holdings Ltd	163,500	483,960	0.44
Far East Consortium International Ltd	233,100	771,561	0.71
Fuguiniao Co Ltd	93,800	181,972	0.17
Fuyao Glass Industry Group Co Ltd	101,700	2,445,885	2.26
Giordano International Ltd	250,400	1,049,176	0.97
Haichang Ocean Park Holdings	239,000	437,370	0.40
Hengdeli Hldgs Ltd	427,200	478,464	0.44
HNA Holding Group Co Ltd	789,000	224,865	0.21
Hosa International Ltd	148,300	392,995	0.36

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
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INVESTMENT PORTFOLIO

As at 31 December 2016

	Holdings	Fair value HKD	% of Net Assets
Listed equities (continued)			
<u>Hong Kong</u> (continued)			
Consumer, Cyclical (continued)			
Hybrid Kinetic Group Ltd	3,640,300	731,700	0.67
Li Ning Co Ltd	313,200	1,525,284	1.41
Maoye International Holdings	204,600	147,312	0.14
Newocean Energy Hldgs Ltd	205,388	423,099	0.39
Parkson Retail Group Ltd	211,000	179,350	0.16
Pou Sheng International (Holdings) Ltd	423,800	945,074	0.87
Red Star Macalline Group Corp Ltd	105,700	845,600	0.78
Shanghai Jin Jiang International Hotels Group Co Ltd	249,500	511,475	0.47
SMI Holdings Ltd	1,233,700	875,927	0.80
Summit Ascent Holdings Ltd	191,128	370,788	0.34
TCL Multimedia Technology Holdings Ltd	103,100	396,935	0.36
Texhong Textile Group Ltd	43,800	459,900	0.42
Texwinca Holdings Ltd	150,837	764,744	0.70
Universal Health International Group Holding Ltd	167,400	59,427	0.05
Xtep International Holdings	197,857	645,014	0.59
Yadea Group Holdings Ltd	209,500	358,245	0.33
Consumer, Non-cyclical			
China Huiyuan Juice	79,900	206,941	0.19
China Maple Leaf Educational Systems Ltd	134,500	691,330	0.64
China Pioneer Pharma Holdings Ltd	93,000	260,400	0.24
China Resources Phoenix Healthcare Holdings Co Ltd	134,400	1,333,248	1.23
China Yurun Food Group Ltd	272,500	313,375	0.29
CK Life Sciences International (Holdings) Inc	572,700	395,163	0.36
Consun Pharmaceutical Group	68,500	264,410	0.24
Dalian Port PDA Co Ltd	359,000	491,830	0.45
Dawnrays Pharmaceutical (Holdings) Limited	81,200	378,392	0.35
Fu Shou Yuan International	211,200	969,408	0.89
Goldpac Group Ltd	57,800	119,068	0.11
Goodbaby International Holdings Ltd	177,000	656,670	0.60
Guangzhou Pharmaceutical Holdings Co Ltd	43,700	876,185	0.81
Harmonicare Medical Holdings Ltd	53,600	275,504	0.25
HC Intl Inc	110,200	627,038	0.58
Hua Han Health Industry Holdings Ltd	962,500	510,125	0.47
Lee's Pharmaceutical Holdings Ltd	53,400	335,352	0.31
Lifetech Scientific Corp	437,569	813,878	0.75
Livzon Pharmaceutical Grp Inc	16,210	735,934	0.68
Microport Scientific Corp	128,300	749,272	0.69
PW Medtech Group Ltd	146,500	295,930	0.27
Shanghai Fosun Pharmaceutical Group Co Ltd	77,199	1,833,476	1.67
Shenguan Holdings Group Ltd	226,300	133,517	0.12
Shenzhen Expressway Co Ltd	148,400	983,892	0.90
SSY Group Ltd	338,754	836,722	0.77

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
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INVESTMENT PORTFOLIO

As at 31 December 2016

	Holdings	Fair value HKD	% of Net Assets
Listed equities (continued)			
Hong Kong (continued)			
Consumer, Non-cyclical (continued)			
Tenwow International Holdings Ltd	143,700	346,317	0.32
Tong Ren Tang Technologies Co Ltd	126,900	1,824,822	1.68
Universal Medical Financial & Technical Advisory Services Co Ltd	155,400	996,114	0.92
United Laboratories Ltd	128,700	679,536	0.62
Yuexiu Transport Infrastructure Ltd	134,600	654,156	0.60
Diversified			
China Chengtong Development Group Ltd	577,300	334,834	0.31
Digital Domain Holdings Ltd	1,888,261	915,807	0.84
Emperor Intl Hldgs Ltd	222,800	392,128	0.36
Energy			
Beijing Jingneng Clean Energy Co Ltd	261,200	629,492	0.58
Canvest Environmental Protection	121,700	466,111	0.43
Concord New Energy Group Ltd	1,126,800	456,354	0.42
Shougang Fushan Resources Group Ltd	474,000	720,480	0.66
Sinopec Oilfield Service Corp	418,685	632,214	0.58
United Photovoltaics Group Limited	780,500	569,765	0.52
Financial			
Bank of Chongqing Co Ltd	94,300	619,551	0.57
Beijing Capital Land Ltd	171,900	500,229	0.46
Beijing Enterprises Medical and Health Industry Group Ltd	870,900	365,778	0.34
Bright Smart	100,600	256,530	0.24
Central China Real Estate	145,572	246,017	0.23
Central China Securities Co Ltd	235,800	999,792	0.91
China Aoyuan Property Group	222,800	396,584	0.36
China Financial International	1,089,100	484,650	0.45
China Merchants Land Limited	292,800	327,936	0.30
China Overseas Grand Oceans Group Ltd	181,000	457,930	0.42
China Overseas Property Holding Co	261,500	347,795	0.32
China SCE Property Holdings Ltd	306,600	714,378	0.66
China Soft Power Technology Holdings Ltd	629,500	103,238	0.09
Colour Life Services Group	60,233	349,351	0.32
Convoy Global Holdings Ltd	2,230,000	515,130	0.47
Crown International Corp Ltd	143,000	247,390	0.23
Differ Group Holding Co Ltd	252,700	176,890	0.16
Fantasia Holdings Group Company Ltd	344,400	340,956	0.31
FDG Kinetic Ltd	357,500	468,325	0.43
Future Land Development Holdings Ltd	337,300	536,307	0.49
Greenland Hong Kong Holdings Ltd	166,300	320,959	0.29
Jiayuan International Group Ltd	111,500	380,215	0.35
National Agricultural Hldgs Ltd	169,100	306,071	0.28
Powerlong Real Estate Holdings Ltd	318,500	726,180	0.67

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INVESTMENT PORTFOLIO

As at 31 December 2016

	Holdings	Fair value HKD	% of Net Assets
Listed equities (continued)			
Hong Kong (continued)			
Financial (continued)			
Prosperity REIT	248,500	760,410	0.70
Rentian Technology Holdings Ltd	706,500	381,510	0.35
Road King Infrastructure Ltd	51,700	332,948	0.31
Ronshine China Holdings Ltd	80,500	453,215	0.42
Shanghai Industrial Land Development Group Ltd	288,100	544,509	0.50
SRE Group Ltd	1,227,000	244,173	0.22
Yuzhou Properties Co Ltd	269,205	726,854	0.67
Industrial			
Avic International Holding	658,400	302,864	0.28
BBMG Corp	470,454	1,260,817	1.16
Boer Power Holdings Ltd	53,600	165,624	0.15
Chaowei Power Holdings	112,623	746,691	0.69
Chiho-Tiande Group Ltd	82,289	437,777	0.40
China Aircraft Leasing Group	53,800	456,762	0.42
China Electronics Corp Holdings Co Ltd	182,400	284,544	0.26
China Greenland Broad Greenstate Group Co Ltd	232,000	299,280	0.27
China High Speed Transmission Equipment Group Co Ltd	213,867	1,935,496	1.79
China Huarong Energy Co Ltd	301,320	134,087	0.12
China Machinery Engineering Corp	173,200	852,144	0.78
China Singyes Solar Technologies Holdings Ltd	108,000	399,600	0.37
China Water Affairs Gr Ltd	165,900	841,113	0.77
COSCO Shipping Development Co Ltd	754,410	1,207,056	1.11
COSCO Shipping Energy Transportation Co Ltd	235,800	1,021,014	0.94
Cowell E Holdings Inc	49,895	97,295	0.09
CPMC Holdings Ltd	78,600	298,680	0.27
Dongfang Electric Corp Ltd	68,700	470,595	0.43
FDG Electric Vehicals Ltd	3,153,578	1,087,984	1.00
GCL New Energy Holdings Ltd	1,328,700	604,559	0.56
Greatview Aseptic Packaging Co Ltd	188,550	750,429	0.69
Guangshen Railway Co Ltd	288,169	1,348,631	1.24
HI Sun Technology (China) Ltd	357,500	425,425	0.39
Hsin Chong Group Holdings Ltd	737,700	261,884	0.24
Kangda International Environ	185,300	374,306	0.34
Landing International Development Ltd	2,456,800	245,680	0.23
Lonking Holdings Ltd	345,100	572,866	0.53
Metallurgical Corporation of China Ltd	577,400	1,743,748	1.60
NVC Lighting Holdings Ltd	247,600	245,124	0.23
Ozner Water International Holdings Ltd	86,100	159,285	0.15
Pacific Basin Shipping Ltd	752,700	940,875	0.86
Realord Group Holdings Ltd	79,500	425,325	0.39
Sinotrans Ltd	409,900	1,418,254	1.30
Sinotrans Shipping Ltd	277,800	400,032	0.37
Tianjin Port Development Hldg Ltd	368,400	438,396	0.40

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
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INVESTMENT PORTFOLIO

As at 31 December 2016

	Holdings	Fair value HKD	% of Net Assets
Listed equities (continued)			
<u>Hong Kong</u> (continued)			
Industrial (continued)			
Tianneng Power Intl Ltd	145,900	1,038,808	0.95
Tongda Group Hldgs Ltd	688,200	1,376,400	1.26
Vision Fame International Holding Ltd	543,000	1,324,920	1.22
Wasion Group Holdings Ltd	100,500	419,085	0.39
West China Cement Ltd	539,021	468,948	0.43
Xinjiang Goldwind Sci & Tech	100,900	1,321,790	1.21
Zoomlion Heavy Industry Science and Technology Co Ltd	262,600	895,466	0.82
Technology			
Chinasoft International Ltd	393,203	1,431,259	1.31
IGG Inc	190,976	996,895	0.92
Ju Teng International Holdings	167,200	401,280	0.37
Kingdee International Software Grp Co Ltd	384,800	1,123,616	1.03
Netdragon Websoft Holdings Limited	29,500	634,250	0.58
Pax Global Technology Ltd	156,200	802,868	0.74
Sinosoft Technology Group Ltd	109,860	269,157	0.25
Tian Ge Interactive Holdings	78,717	377,842	0.35
Utilities			
CGN New Energy Holdings Co Ltd	255,400	293,710	0.27
China Oil and Gas Group Ltd	926,671	565,269	0.52
China Power New Energy Development Co Ltd	82,500	337,425	0.31
Huadian Fuxin Energy Corp	486,253	836,355	0.77
Tianjin Development Holdings Ltd	84,700	345,576	0.32
Total investments, at fair value		108,466,539	99.65
Total investments, at cost		119,616,572	

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a Sub-Fund of ChinaAMC Global ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO

For the period from 23 October 2015 (date of inception) to 31 December 2016

Listed equities	Holdings as at 23 October 2015 (date of inception)	Additions	Disposals	Corporate actions	Holdings as at 31 December 2016
<u>Hong Kong</u>					
361 Degrees International	-	212,400	(89,000)	-	123,400
AAG Energy Holdings Ltd	-	519,400	(519,400)	-	-
Ajisen China Holdings Ltd	-	213,100	(93,609)	-	119,491
Angang Steel Co Ltd	-	382,900	(166,200)	-	216,700
Anton Oilfield Services Group	-	359,000	(359,000)	-	-
APT Satellite Holdings Ltd	-	148,200	(148,200)	-	-
Asia Cement China Holdings Corp	-	145,400	(145,400)	-	-
Avic International Holding	-	1,085,400	(427,000)	-	658,400
Bank of Chongqing Co Ltd	-	171,800	(77,500)	-	94,300
Bank of Jinzhou Co Ltd	-	189,500	(189,500)	-	-
Bank of Qingdao Co Ltd	-	132,200	(132,200)	-	-
Bank of Zhengzhou Co Ltd	-	208,600	(208,600)	-	-
BBMG Corp	-	454,400	(272,623)	288,677	470,454
Beijing Capital Land Ltd	-	284,100	(112,200)	-	171,900
Beijing Enterprises Medical and Health Industry Group Ltd	-	1,518,900	(648,000)	-	870,900
Beijing Jingneng Clean Energy Co Ltd	-	485,400	(224,200)	-	261,200
Beijing Properties Holdings Ltd	-	739,400	(739,400)	-	-
Best Pacific International Holdings Ltd	-	86,000	(14,500)	-	71,500
Bloomage Biotechnology Corp	-	63,800	(63,800)	-	-
Boer Power Holdings Ltd	-	92,400	(38,800)	-	53,600
Bosideng International Holdings Ltd	-	742,000	(125,000)	-	617,000
Boyaa Interactive Intl Ltd	-	144,600	(144,600)	-	-
Bright Smart	-	191,500	(90,900)	-	100,600
C C Land Holdings Ltd	-	399,900	(399,900)	-	-
Canvest Environmental Protection	-	208,000	(86,300)	-	121,700
Central China Real Estate	-	265,800	(120,228)	-	145,572
Central China Securities Co Ltd	-	389,000	(153,200)	-	235,800
CGN New Energy Holdings Co Ltd	-	440,200	(184,800)	-	255,400
Chaowei Power Holdings	-	190,100	(77,477)	-	112,623
Chiho-Tiande Group Ltd	-	148,700	(66,411)	-	82,289
China Aircraft Leasing Group	-	87,000	(33,200)	-	53,800
China Aoyuan Property Group	-	365,100	(142,300)	-	222,800
China Bluechemical Ltd	-	606,500	(253,600)	-	352,900
China Chengtong Development Group Ltd	-	951,500	(374,200)	-	577,300
China Dongxiang Group Co	-	1,136,700	(475,600)	-	661,100
China Electronics Corp Holdings Co Ltd	-	313,200	(130,800)	-	182,400
China Financial International	-	1,747,800	(658,700)	-	1,089,100
China Greenland Broad Greenstate Group Co Ltd	-	366,500	(134,500)	-	232,000
China Hanking Holdings Ltd	-	209,900	(82,800)	-	127,100

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 23 October 2015 (date of inception) to 31 December 2016

Listed equities (continued)	Holdings as at 23 October 2015 (date of inception)	Additions	Disposals	Corporate actions	Holdings as at 31 December 2016
Hong Kong (continued)					
China Harmony New Energy Auto Hldg Ltd	-	269,600	(113,200)	-	156,400
China High Speed Transmission Equipment Group Co Ltd	-	376,600	(162,733)	-	213,867
China Huarong Energy Co Ltd	-	2,769,720	(2,468,400)	-	301,320
China Huarong Energy Co Ltd-New	-	436,220	(436,220)	-	-
China Huiyuan Juice	-	179,400	(99,500)	-	79,900
China Jicheng Holdings Ltd	-	1,175,000	(1,175,000)	-	-
China Lilang Ltd	-	165,200	(69,500)	-	95,700
China LotSynergy Hldgs Ltd	-	2,642,200	(1,100,500)	-	1,541,700
China Machinery Engineering Corp	-	302,200	(129,000)	-	173,200
China Maple Leaf Educational Systems Ltd	-	162,000	(27,500)	-	134,500
China Merchants Land Limited	-	503,700	(210,900)	-	292,800
China Metal Resources Utilization Ltd	-	343,100	(162,500)	-	180,600
China Minsheng Drawin Technology Group Limited	-	1,246,500	(436,100)	-	810,400
China Minsheng Financial Holding Corp Ltd	-	1,798,600	(1,798,600)	-	-
China Molybdenum Co Ltd	-	526,800	(558,500)	783,200	751,500
China New City Commercial Development Ltd	-	162,800	(162,800)	-	-
China Oceanwide Holdings Ltd	-	1,769,100	(1,769,100)	-	-
China Oceanwide Holdings Ltd Nil Paid Rights 03/03/2016	-	-	(589,700)	589,700	-
China Oil and Gas Group Ltd	-	1,646,700	(720,029)	-	926,671
China Overseas Grand Oceans Group Ltd	-	218,000	(37,000)	-	181,000
China Overseas Property Holding Co	-	431,300	(169,800)	-	261,500
China Pioneer Pharma Holdings Ltd	-	159,800	(66,800)	-	93,000
China Power New Energy Development Co Ltd	-	1,454,400	(1,371,900)	-	82,500
China Power New Energy Development Co Ltd-New	-	107,000	(107,000)	-	-
China Public Procurement Ltd	-	2,873,800	(2,873,800)	-	-
China Resources and Transportation Group Ltd	-	5,814,250	(5,814,250)	-	-
China Resources and Transportation Group Ltd Nil Paid Rights 2015 01/12/2015	-	-	(930,280)	930,280	-
China Resources and Transportation Group Ltd-New	-	232,570	(232,570)	-	-
China Resources Phoenix Healthcare Holdings Co Ltd	-	231,400	(97,000)	-	134,400
China SCE Property Holdings Ltd	-	527,100	(220,500)	-	306,600
China Singyes Solar Technologies Holdings Ltd	-	181,600	(73,600)	-	108,000
China Singyes Soar Technologys Hldg Nil Paid Rights 11/07/2016	-	-	(20,800)	20,800	-
China Smarter Energy Group	-	1,050,700	(1,050,700)	-	-
China Soft Power Technology Holdings Ltd	-	756,000	(126,500)	-	629,500
China Vast Industrial Urban	-	153,300	(153,300)	-	-

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 23 October 2015 (date of inception) to 31 December 2016

Listed equities (continued)	Holdings as at 23 October 2015 (date of inception)	Additions	Disposals	Corporate actions	Holdings as at 31 December 2016
Hong Kong (continued)					
China Water Affairs Gr Ltd	-	308,800	(142,900)	-	165,900
China Yurun Food Group Ltd	-	467,800	(195,300)	-	272,500
Chinasoft International Ltd	-	685,300	(292,097)	-	393,203
CIFI Holdings Group Co Ltd	-	945,000	(945,000)	-	-
CITIC Telecom International Holdings Ltd	-	521,900	(218,200)	-	303,700
Citychamp Watch & Jewellery	-	428,800	(169,600)	-	259,200
CK Life Sciences International (Holdings) Inc	-	986,000	(413,300)	-	572,700
Cogobuy Group	-	127,600	(127,600)	-	-
Colour Life Services Group	-	106,900	(46,667)	-	60,233
Comba Telecom Systems Holdings Ltd	-	420,500	(209,900)	62,671	273,271
Concord New Energy Group Ltd	-	1,949,900	(823,100)	-	1,126,800
Consun Pharmaceutical Group	-	134,200	(65,700)	-	68,500
Convoy Global Holdings Ltd	-	2,682,000	(452,000)	-	2,230,000
Coolpad Group Limited	-	1,115,900	(466,600)	-	649,300
COSCO Shipping Development Co Ltd	-	1,332,600	(578,190)	-	754,410
COSCO Shipping Energy Transportation Co Ltd	-	403,000	(167,200)	-	235,800
Cosco Shipping International Hong Kong Co Ltd	-	198,300	(198,300)	-	-
Cosmo Lady Holdings Ltd	-	207,000	(207,000)	-	-
Cowell E Holdings Inc	-	92,600	(42,705)	-	49,895
CPMC Holdings Ltd	-	135,900	(57,300)	-	78,600
Crown International Corp Ltd	-	210,000	(67,000)	-	143,000
CT Environmental Group Ltd	-	765,800	(765,800)	-	-
Dah Chong Hong Holdings Ltd	-	197,000	(33,500)	-	163,500
Dalian Port PDA Co Ltd	-	432,000	(73,000)	-	359,000
Daphne International Holdings Ltd	-	319,700	(319,700)	-	-
Dawnrays Pharmaceutical (Holdings) Limited	-	151,000	(69,800)	-	81,200
Differ Group Holding Co Ltd	-	416,700	(164,000)	-	252,700
Digital Domain Holdings Ltd	-	2,906,000	(1,017,739)	-	1,888,261
Dongfang Electric Corp Ltd	-	131,800	(63,100)	-	68,700
Dongyue Group	-	375,800	(93,400)	-	282,400
Emperor Intl Hldgs Ltd	-	424,500	(201,700)	-	222,800
Evergrande Health Industry Group Ltd	-	807,000	(807,000)	-	-
Fantasia Holdings Group Company Ltd	-	591,700	(247,300)	-	344,400
Far East Consortium International Ltd	-	394,100	(161,000)	-	233,100
FDG Electric Vehicals Ltd	-	6,325,500	(3,171,922)	-	3,153,578
FDG Kinetic Ltd	-	574,100	(216,600)	-	357,500
Fu Shou Yuan International	-	361,300	(150,100)	-	211,200
Fufeng Group Ltd	-	400,000	(167,200)	-	232,800
Fuguiniao Co Ltd	-	90,600	(43,600)	46,800	93,800
Fullshare Holdings Ltd	-	1,782,400	(1,782,400)	-	-
Future Land Development Holdings Ltd	-	580,700	(243,400)	-	337,300
Fuyao Glass Industry Group Co Ltd	-	176,200	(74,500)	-	101,700

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 23 October 2015 (date of inception) to 31 December 2016

Listed equities (continued)	Holdings as at 23 October 2015 (date of inception)	Additions	Disposals	Corporate actions	Holdings as at 31 December 2016
Hong Kong (continued)					
GCL New Energy Holdings Ltd	-	2,566,800	(1,238,100)	-	1,328,700
GCL New Energy Holdings Ltd Ord Hkd0.01 Nil Paid Rts 27/01/2016	-	-	(569,400)	569,400	-
Gemdale Properties & Investment Corporation Ltd	-	1,896,600	(1,896,600)	-	-
Giordano International Ltd	-	430,000	(179,600)	-	250,400
Glorious Property Holdings Ltd	-	842,800	(842,800)	-	-
Goldpac Group Ltd	-	112,700	(54,900)	-	57,800
Good Resources Holdings Ltd	-	1,210,200	(1,210,200)	-	-
Goodbaby International Holdings Ltd	-	213,000	(36,000)	-	177,000
Greatview Aseptic Packaging Co Ltd	-	387,700	(199,150)	-	188,550
Greenland Hong Kong Holdings Ltd	-	339,000	(172,700)	-	166,300
G-Resources Group Ltd	-	8,046,300	(3,417,490)	-	4,628,810
Guangshen Railway Co Ltd	-	508,700	(220,531)	-	288,169
Guangzhou Pharmaceutical Holdings Co Ltd	-	81,100	(37,400)	-	43,700
Haichang Ocean Park Holdings	-	410,800	(171,800)	-	239,000
Haier Healthwise Holdings Ltd	-	1,243,200	(1,243,200)	-	-
Hang Fat Ginseng Holdings Co Ltd	-	2,191,600	(2,191,600)	-	-
Harmonicare Medical Holdings Ltd	-	93,300	(39,700)	-	53,600
HC Intl Inc	-	187,700	(77,500)	-	110,200
Hengdeli Hldgs Ltd	-	772,500	(345,300)	-	427,200
HI Sun Technology (China) Ltd	-	616,400	(258,900)	-	357,500
Hilong Holdings Ltd	-	246,700	(246,700)	-	-
HKBN Ltd	-	268,300	(116,621)	-	151,679
HNA Holding Group Co Ltd	-	950,000	(161,000)	-	789,000
Honghua Group Ltd	-	607,400	(607,400)	-	-
Hosa International Ltd	-	254,100	(105,800)	-	148,300
Hsin Chong Group Holdings Ltd	-	1,151,900	(414,200)	-	737,700
Hua Han Health Industry Holdings Ltd	-	1,645,200	(682,700)	-	962,500
Huadian Fuxin Energy Corp	-	885,400	(399,147)	-	486,253
Huadian Power International Corp	-	510,400	(510,400)	-	-
Huaneng Renewables Corp Ltd	-	1,179,400	(1,179,400)	-	-
Huarong International Financial Holdings Ltd	-	264,800	(264,800)	-	-
Huayi Tencent Entertainment Co Ltd	-	2,286,700	(941,900)	-	1,344,800
Huishang Bank H Share Ltd	-	444,600	(444,600)	-	-
Hybrid Kinetic Group Ltd	-	6,000,400	(2,360,100)	-	3,640,300
Hydoo International Holding Ltd	-	389,400	(389,400)	-	-
IGG Inc	-	299,700	(108,724)	-	190,976
International Entertainment Corp	-	110,000	(110,000)	-	-

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 23 October 2015 (date of inception) to 31 December 2016

Listed equities (continued)	Holdings as at 23 October 2015 (date of inception)	Additions	Disposals	Corporate actions	Holdings as at 31 December 2016
Hong Kong (continued)					
Jiangnan Group Ltd	-	649,400	(649,400)	-	-
Jiayuan International Group Ltd	-	134,000	(22,500)	-	111,500
Ju Teng International Holdings	-	288,400	(121,200)	-	167,200
Kangda International Environ	-	365,600	(180,300)	-	185,300
Kingdee International Software Grp Co Ltd	-	666,900	(282,100)	-	384,800
Kong Sun Holdings Ltd	-	1,107,400	(1,107,400)	-	-
Korador Holdings Ltd	-	61,300	(61,300)	-	-
Kowloon Development Co Ltd	-	110,000	(110,000)	-	-
Landing International Development Ltd	-	4,874,000	(2,417,200)	-	2,456,800
Lee's Pharmaceutical Holdings Ltd	-	93,900	(40,500)	-	53,400
Li Ning Co Ltd	-	531,000	(217,800)	-	313,200
Lifetech Scientific Corp	-	768,300	(330,731)	-	437,569
Liu Chong Hing Inv Ltd	-	66,000	(66,000)	-	-
Livzon Pharmaceutical Grp Inc	-	29,800	(13,590)	-	16,210
Lonking Holdings Ltd	-	633,400	(288,300)	-	345,100
Maanshan Iron & Steel	-	592,100	(248,200)	-	343,900
Maoye International Holdings	-	352,300	(147,700)	-	204,600
Mason Financial Holdings Ltd	-	2,611,500	(2,611,500)	-	-
Mei Ah Entertainment Group Ltd	-	823,700	(823,700)	-	-
Metallurgical Corporation of China Ltd	-	1,007,000	(429,600)	-	577,400
Microport Scientific Corp	-	208,100	(79,800)	-	128,300
Munsun Capital Group Ltd	-	1,547,400	(1,547,400)	-	-
Nan Hai Corp Ltd	-	6,429,300	(6,429,300)	-	-
National Agricultural Hldgs Ltd	-	356,200	(187,100)	-	169,100
Netdragon Websoft Holdings Limited	-	58,700	(29,200)	-	29,500
Newocean Energy Hldgs Ltd	-	363,000	(157,612)	-	205,388
North Mining Shares Co Ltd	-	4,825,500	(4,825,500)	-	-
NVC Lighting Holdings Ltd	-	410,700	(163,100)	-	247,600
Ozner Water International Holdings Ltd	-	227,000	(140,900)	-	86,100
Pacific Basin Shipping Ltd	-	1,136,600	(383,900)	-	752,700
Pacific Online	-	155,200	(64,900)	-	90,300
Paradise Entertainment Ltd	-	149,600	(149,600)	-	-
Parkson Retail Group Ltd	-	363,700	(152,700)	-	211,000
Pax Global Technology Ltd	-	267,500	(111,300)	-	156,200
Peak Sport Products Ltd	-	326,900	(326,900)	-	-
Polytec Asset Hldgs Ltd	-	418,000	(418,000)	-	-
Pou Sheng International (Holdings) Ltd	-	699,900	(276,100)	-	423,800
Powerlong Real Estate Holdings Ltd	-	527,300	(208,800)	-	318,500
Prosperity REIT	-	321,000	(72,500)	-	248,500
PW Medtech Group Ltd	-	272,400	(125,900)	-	146,500
Realord Group Holdings Ltd	-	96,000	(16,500)	-	79,500
Red Star Macalline Group Corp Ltd	-	127,200	(21,500)	-	105,700
Redco Properties Group Ltd	-	172,200	(172,200)	-	-
Regal Real Estate Investment Trust Reit	-	308,000	(308,000)	-	-
Regina Miracle International Hldg Ltd	-	114,500	(114,500)	-	-

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 23 October 2015 (date of inception) to 31 December 2016

Listed equities (continued)	Holdings as at 23 October 2015 (date of inception)	Additions	Disposals	Corporate actions	Holdings as at 31 December 2016
Hong Kong (continued)					
Rentian Technology Holdings Ltd	-	850,000	(143,500)	-	706,500
Road King Infrastructure Ltd	-	113,600	(61,900)	-	51,700
Ronshine China Holdings Ltd	-	97,000	(16,500)	-	80,500
Sany Heavy Equipment Intl Holdings Co Ltd	-	294,900	(294,900)	-	-
Shanghai Fosun Pharmaceutical Group Co Ltd	-	140,400	(63,201)	-	77,199
Shanghai Industrial Land Development Group Ltd	-	494,600	(206,500)	-	288,100
Shanghai Jin Jiang International Hotels Group Co Ltd	-	300,000	(50,500)	-	249,500
Shenguan Holdings Group Ltd	-	373,500	(147,200)	-	226,300
Shenzhen Expressway Co Ltd	-	242,400	(94,000)	-	148,400
Shougang Concord Intl Enterpris Ltd	-	1,592,800	(1,592,800)	-	-
Shougang Fushan Resources Group Ltd	-	570,000	(96,000)	-	474,000
Sincere Watch HK Ltd	-	805,700	(805,700)	-	-
Singamas Container Hldgs Ltd	-	492,800	(492,800)	-	-
Sinopec Oilfield Service Corp	-	734,700	(316,015)	-	418,685
Sinopec Shanghai Petrochemical Co Ltd	-	1,137,900	(1,137,900)	-	-
Sinosoft Technology Group Ltd	-	151,500	(63,700)	22,060	109,860
Sinotrans Ltd	-	744,700	(334,800)	-	409,900
Sinotrans Shipping Ltd	-	478,100	(200,300)	-	277,800
SITC Intl Hldgs Co Ltd	-	409,200	(409,200)	-	-
Sitoy Group Holdings Ltd	-	110,000	(110,000)	-	-
SMI Holdings Ltd	-	2,305,800	(1,072,100)	-	1,233,700
Springland International Holdings Ltd Ord	-	343,200	(343,200)	-	-
SPT Energy Group Inc Com	-	286,200	(286,200)	-	-
SRE Group Ltd	-	1,476,000	(249,000)	-	1,227,000
SSY Group Ltd	-	736,900	(398,146)	-	338,754
Summit Ascent Holdings Ltd	-	342,200	(151,072)	-	191,128
Suncorp Technologies Ltd	-	4,722,800	(2,146,100)	-	2,576,700
Sunlight Real Estate Investment Trust (Reit)	-	334,400	(334,400)	-	-
TCL Communication Technology Holdings Ltd	-	173,400	(173,400)	-	-
TCL Multimedia Technology Holdings Ltd	-	180,900	(77,800)	-	103,100
Tech Pro Technology Development Ltd	-	1,623,800	(1,623,800)	-	-
Tenwow International Holdings Ltd	-	247,600	(103,900)	-	143,700
Texhong Textile Group Ltd	-	100,800	(57,000)	-	43,800
Texwinca Holdings Ltd	-	263,600	(112,763)	-	150,837
Tian Ge Interactive Holdings	-	174,000	(95,283)	-	78,717
Tianjin Development Holdings Ltd	-	146,800	(62,100)	-	84,700
Tianjin Port Development Hldg Ltd	-	633,100	(264,700)	-	368,400
Tianneng Power Intl Ltd	-	251,900	(106,000)	-	145,900
Tibet Water Resources Ltd	-	484,000	(484,000)	-	-
Times Property Holdings Ltd	-	193,700	(193,700)	-	-
Tom Group Ltd	-	365,200	(365,200)	-	-
Tong Ren Tang Technologies Co Ltd	-	213,900	(87,000)	-	126,900
Tongda Group Hldgs Ltd	-	1,180,400	(492,200)	-	688,200

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 23 October 2015 (date of inception) to 31 December 2016

Listed equities (continued)	Holdings as at 23 October 2015 (date of inception)	Additions	Disposals	Corporate actions	Holdings as at 31 December 2016
Hong Kong (continued)					
Town Health Intl Hldg Co Ltd	-	1,285,000	(1,285,000)	-	-
TPV Technology Ltd	-	294,800	(294,800)	-	-
Travelsky Technology Ltd	-	288,300	(288,300)	-	-
Trinity Ltd	-	356,400	(356,400)	-	-
Tsui Wah Holdings Ltd	-	182,700	(182,700)	-	-
United Laboratories Ltd	-	222,300	(93,600)	-	128,700
United Photovoltaics Group Limited	-	1,322,600	(542,100)	-	780,500
Universal Health International Group Holding Ltd	-	343,400	(176,000)	-	167,400
Universal Medical Financial & Technical Advisory Services Co Ltd	-	239,600	(84,200)	-	155,400
Vision Fame International Holding Ltd	-	804,000	(261,000)	-	543,000
Wasion Group Holdings Ltd	-	174,000	(73,500)	-	100,500
Welling Holding Ltd	-	323,900	(323,900)	-	-
West China Cement Ltd	-	942,200	(403,179)	-	539,021
Wisdom Sports Group	-	246,900	(102,200)	-	144,700
Wison Engineering Services Co Ltd	-	328,400	(328,400)	-	-
Wumart Stores Inc H Shrs	-	167,200	(167,200)	-	-
Wuzhou International Holdings Ltd	-	545,800	(545,800)	-	-
Xinchen China Power Holdings Ltd	-	166,000	(166,000)	-	-
Xingda International Holding	-	263,400	(263,400)	-	-
Xinjiang Goldwind Sci & Tech	-	176,500	(75,600)	-	100,900
Xtep International Holdings	-	343,700	(145,843)	-	197,857
Yadea Group Holdings Ltd	-	252,000	(42,500)	-	209,500
Yanchang Petroleum Intl Ltd	-	1,901,000	(1,901,000)	-	-
Yestar International Holdings Co Ltd	-	280,300	(280,300)	-	-
Yingde Gases Group Co Ltd	-	249,000	(42,000)	-	207,000
Yuanda China Hldg Ltd	-	802,900	(802,900)	-	-
Yuanshengtai Dairy Farm Ltd	-	442,100	(442,100)	-	-
Yuexiu Real Estate Investment Trust Npv	-	572,200	(572,200)	-	-
Yuexiu Transport Infrastructure Ltd	-	250,400	(115,800)	-	134,600
Yuzhou Properties Co Ltd	-	506,700	(237,495)	-	269,205
Zall Development Group Ltd	-	1,165,600	(1,165,600)	-	-
Zhaojin Mining Industry Co Ltd	-	288,500	(123,251)	-	165,249
Zoomlion Heavy Industry Science And Technology Co Ltd	-	432,700	(170,100)	-	262,600
Unlisted securities					
Coolpad Grp Ltd Nil Paid Rights 02/03/2016	-	-	(132,030)	132,030	-
Pacific Basin Ship Nil Paid Rts 16/06/2016	-	-	(438,200)	438,200	-

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PERFORMANCE RECORD

For the period from 23 October 2015 (date of inception) to 31 December 2016

1) Net Asset Value

	Net asset value per unit HKD	Total net asset value HKD
31 December 2016	21.7686	108,842,806

2) Highest issue and lowest redemption prices per unit

	Highest issue unit price HKD	Lowest redemption unit price HKD
Period from 23 October 2015 (date of inception) to 31 December 2016	25.10	18.94

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 period from 23 October 2015 (date of inception) to 31 December 2016:

	The Index (since 23 October 2015)	The Sub-Fund (since 23 October 2015)
During the period from: 23 October 2015 (date of inception) to 31 December 2016	-10.75%	-16.53%



华夏基金(香港)有限公司
CHINA ASSET MANAGEMENT (HONG KONG) LIMITED

etf.chinaamc.com.hk

37/F, Bank of China Tower, 1 Garden Road, Hong Kong

Customer Service Hotline: (852) 3406 8686