



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

**CSOP FTSE CHINA A50 ETF**  
**Stock Codes: 82822 (RMB counter) and 02822 (HKD counter)**  
**(A sub-fund of CSOP ETF Series)**

Unaudited Semi-Annual Report  
FOR THE PERIOD ENDED 30 JUNE 2017

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

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

**REPORT OF THE MANAGER TO THE UNITHOLDERS**

Introduction

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

The CSOP A50 ETF is a physical ETF which invests directly in the A50 Index securities through the RQFII quotas of the Manager, Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. Under current regulations in the PRC, foreign investors can invest in the domestic securities market through certain qualified foreign institutional investors that have obtained status as a QFII or a RQFII from the CSRC and have been granted quota(s) by SAFE to remit foreign freely convertible currencies (in the case of a QFII) and RMB (in the case of a RQFII) into the PRC for the purpose of investing in the PRC’s domestic securities markets. Meanwhile, from November 17, 2014, foreign investors can trade eligible stocks listed in Shanghai Stock Exchange through Shanghai-Hong Kong Stock Connect. And from December 5, 2016, foreign investors can trade eligible stocks listed in Shenzhen Stock Exchange through Shenzhen-Hong Kong Stock Connect. The Manager has obtained RQFII status and the total RQFII quotas obtained by the Manager amount to RMB 46.1 billion as of 30 June 2017.

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

Capital Gains Tax (“CGT”) Treatment

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

Change to the type of the Underlying Index

The Sub-Fund has been using FTSE China A50 price return index as its Underlying Index since its inception in August 2012. Price return index does not include the reinvestment of dividends from the constituent securities of the index. Price return index only considers price movements of the constituent securities of the index but the net total return index assumes that dividends paid by the constituent securities of the index, net of any withholding taxes, are reinvested in additional shares of such index’s constituents. As such, an index’s net total return is usually considered to be a more accurate measurement of the actual investment return and performance. Therefore, it is proposed that the type of the Underlying Index of the Sub-Fund will change from price return index to net total return index with effect from 27 February 2015.

The Manager believes that the change to the type of the Underlying Index will not only reduce the cash dragging but also its tracking error of the Sub-Fund. The Manager considers that the change made to the type of the Sub-Fund’s Underlying Index would not materially prejudice unitholders’ rights or interests and does not anticipate adverse impact to the operation of the Sub-Fund.

**CSOP FTSE CHINA A50 ETF  
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**REPORT OF THE MANAGER TO THE UNITHOLDERS (CONTINUED)**

Sub-Fund Performance

The CSOP A50 ETF seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As of 30 June 2017, the dealing Net Asset Value (“NAV”) per unit of the CSOP A50 ETF was RMB 11.3549 and there were 1,756,000,000 units outstanding. The total asset under management was approximately RMB 19.9 billion.

For the period ended 30 June 2017, the FTSE China A50 net return index increased by 15.97% while the dealing NAV increased by 14.62%. The difference in performance between the NAV of the CSOP A50 ETF and the Index is mainly attributed to dividends, fees and expenses including tax on dividends. YTD Net total return of the RMB counter (stock code 82822) was 15.33%.

Exchange Liquidity

Since inception, the CSOP A50 ETF has attracted great investor attention from investors across the globe. The trading value of the RMB counter (stock code: 82822) remained steadily at an average daily turnover of RMB 13.8 million in June 2017. The trading value of the HKD counter (stock code: 02822) remained steadily at an average daily turnover of HKD 558.7 million in June 2017. The Sub-Fund’s high liquidity often placed it in the most actively traded ETFs on the HKEx. The trading volume for the CSOP A50 ETF reflected strong interest in the CSOP A50 ETF.

Portfolio Rebalance

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

**CSOP FTSE CHINA A50 ETF  
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**CONDENSED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2017*

	<i>Notes</i>	30 June 2017 (Unaudited) <i>RMB</i>	31 December 2016 (Audited) <i>RMB</i>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Deposit reserve		1,383,200	1,383,200
<b>CURRENT ASSETS</b>			
Investments	<i>7(c),8(a)</i>	19,842,096,423	17,177,372,883
Interest receivable		9,068	1,668
Bank balances	<i>7(c)</i>	244,332,588	40,277,923
		<u>20,086,438,079</u>	<u>17,217,652,474</u>
<b>Total assets</b>		<u><u>20,087,821,279</u></u>	<u><u>17,219,035,674</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Amounts due to participating dealers		123,752,676	-
Management fee payable	<i>7(a)</i>	14,736,311	15,084,826
Trustee fee payable	<i>7(b)</i>	1,302,594	1,334,177
License fee payable		8,579,053	10,065,032
Other accounts payable		226,079	456,872
		<u>148,596,713</u>	<u>26,940,907</u>
<b>Total liabilities</b>		<u><u>148,596,713</u></u>	<u><u>26,940,907</u></u>
<b>EQUITY</b>			
Net assets attributable to unitholders	<i>4</i>	<u><u>19,939,224,566</u></u>	<u><u>17,192,094,767</u></u>

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

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

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

*For the period ended 30 June 2017*

	<i>Notes</i>	Period from 1 January 2017 to 30 June 2017 (Unaudited) <i>RMB</i>	Period from 1 January 2016 to 30 June 2016 (Unaudited) <i>RMB</i>
<b>INCOME</b>			
Dividend income		176,521,481	225,887,829
Interest income	7(c)	130,418	249,522
Net gain/(loss) on investments	5	2,325,480,240	(2,273,424,151)
Other income		6,012,427	590,569
<b>Total net income/(loss)</b>		<u>2,508,144,566</u>	<u>(2,046,696,231)</u>
<b>EXPENSES</b>			
Management fee	7(a)	(85,790,527)	(87,636,490)
Trustee fee	7(b)	(7,606,979)	(7,758,021)
Transaction costs of investments		(19,522,999)	(23,950,708)
Audit fee		(324,273)	(161,787)
Safe custody and bank charges		(605,331)	(708,735)
Legal and other professional fee		-	(386,127)
License fee	7(d)	(8,683,425)	(11,218,936)
Other operating expenses		(571,546)	(358,452)
<b>Total operating expenses</b>		<u>(123,105,080)</u>	<u>(132,179,256)</u>
Operating profit/(loss)		<u>2,385,039,486</u>	<u>(2,178,875,487)</u>
Taxation	6	<u>(18,013,837)</u>	<u>(22,774,165)</u>
<b>Total comprehensive income</b>		<u><u>2,367,025,649</u></u>	<u><u>(2,201,649,652)</u></u>

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

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

*For the period ended 30 June 2017*

	Period from 1 January 2017 to 30 June 2017 (Unaudited) <i>RMB</i>	Period from 1 January 2016 to 30 June 2016 (Unaudited) <i>RMB</i>
Net assets attributable to unitholders at the beginning of the period	17,192,094,767	18,330,645,111
Proceeds on issue of units	3,715,624,150	9,919,196,650
Payments on redemption of units	(3,335,520,000)	(4,245,978,750)
Net increase from unit transactions	380,104,150	5,673,217,900
Total comprehensive income for the period	2,367,025,649	(2,201,649,652)
<b>Net assets attributable to unitholders at the end of the period</b>	<b>19,939,224,566</b>	<b>21,802,213,359</b>

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**CSOP FTSE CHINA A50 ETF**  
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**CONDENSED STATEMENT OF CASH FLOWS**

*For the period ended 30 June 2017*

	Period from 1 January 2017 to 30 June 2017 (Unaudited) <i>RMB</i>	Period from 1 January 2016 to 30 June 2016 (Unaudited) <i>RMB</i>
<b>OPERATING ACTIVITIES</b>		
Payments for purchase of investments	(7,213,811,693)	(12,401,136,103)
Proceeds from sale of investments	6,874,568,393	6,646,945,703
Dividend received	176,521,481	225,887,829
Interest received	123,018	256,030
Other income received	6,012,427	590,569
Management fee paid	(86,139,042)	(85,355,178)
Transaction costs paid	(19,522,999)	(23,950,708)
Taxation paid	(18,013,837)	(22,774,165)
Other operating expenses paid	(19,539,909)	(14,231,790)
Deposit reserve received	-	3,136,000
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>(299,802,161)</b>	<b>(5,670,631,813)</b>
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<b>FINANCING ACTIVITIES</b>		
Proceeds on issue of units	3,715,624,150	9,919,196,650
Payments on redemption of units	(3,211,767,324)	(4,296,249,074)
	<hr/>	<hr/>
<b>Net cash generated from financing activities</b>	<b>503,856,826</b>	<b>5,622,947,576</b>
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Net increase/(decrease) in cash and cash equivalents	204,054,665	(47,684,237)
Cash and cash equivalents at the beginning of the period	40,277,923	211,123,590
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	244,332,588	163,439,353
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<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances	244,332,588	163,439,353
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*The notes on pages 7 to 22 form part of these unaudited condensed financial statements.*



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

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

CSOP ETF Series (the “Trust”) is an umbrella unit trust governed by its trust deed dated 25 July 2012, as amended, (the “Trust Deed”) and authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to Section 104(1) of the Securities and Futures Ordinance. The terms of the Trust Deed are governed by the laws of Hong Kong. As at 30 June 2017, the Trust has seven sub-funds which are CSOP FTSE China A50 ETF (the “Sub-Fund”), CSOP CES China A80 ETF, CSOP MSCI T50 ETF, CSOP SZSE ChiNext ETF, CSOP China CSI 300 Smart ETF, CSOP MSCI China A International ETF and CSOP S&P New China Sectors ETF. The date of inception of the Sub-Fund was 23 August 2012. The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited. CSOP Asset Management Limited, the manager of the Sub-Fund, applied and obtained approval to list Japan Depository Receipt (“JDR”) which represents units of the Sub-Fund on the Tokyo Stock Exchange (“TSE”). The JDR which represents units of the Sub-Fund was listed on the TSE on 27 February 2013.

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

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

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

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

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

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

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

These condensed semi-annual financial statements for the six months ended 30 June 2017 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The condensed semi-annual financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in the annual financial statements.

Standard and amendments to existing standards effective 1 January 2017

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2017 that would be expected to have a significant impact on the Sub-Fund except for the following.

The HKICPA has issued an amendment to HKAS 7, “Statement of cash flows” introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the HKICPA’s disclosure initiative, which continues to explore how financial statement disclosures can be improved. An entity shall apply those amendments to HKAS 7 for annual periods beginning on or after 1 January 2017. The Manager of the Sub-Fund is assessing the impact of HKAS 7.

New standard and amendments to standards effective after 1 January 2017 that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Sub-Fund except the following set out below:

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

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

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

New standard and amendments to standards effective after 1 January 2017 that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund (Continued)

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

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

**3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

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

**(a) People's Republic of China ("PRC") tax provision**

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.

The Sub-Fund invests in A-shares securities which are issued within the PRC through the RQFII quotas of the Manager and the Stock Connect. Under the general taxing provision of PRC Corporate Income Tax Law, a 10% withholding tax may be payable on the gains derived from the sale of A-shares by RQFIIs.

*Notice issued on 14 November 2014*

On 14 November 2014, the Ministry of Finance of the PRC (the "MoF"), the State Administration of Taxation of the PRC ("SAT") and the China Securities Regulatory Commission (the "CSRC") jointly issued the "Notice on temporary exemption of Corporate Income Tax on capital gains derived from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII" (the "Notice").

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**NOTES TO UNAUDITED CONDENSED THE FINANCIAL STATEMENTS**

**3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (Continued)**

**(a) People's Republic of China ("PRC") tax provision (Continued)**

*Notice issued on 14 November 2014 (Continued)*

According to the Notice, amongst other things:

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

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

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

For the financial year ended 31 December 2015

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

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

For the financial period/year ended 30 June 2017 and 31 December 2016

No PRC withholding tax on gains derived from the sale of A-shares is provided by the Sub-Fund for the period/year ended 30 June 2017 and 31 December 2016.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (Continued)**

**(b) Fair value of securities that are suspended from trading**

As at 30 June 2017 and 31 December 2016, there were listed equities which have been suspended for trading mainly due to business restructuring. Management made its judgement in determining the fair values of these investments and involved a higher degree of subjectivity. Management judgement in determining the fair values of the suspended investments includes factors such as the duration of suspension period, the relevant market information and news of the suspended listed equities, the price movement of comparable listed equities/index during the suspension period and, if applicable, the market prices of the suspended listed equities upon resumption of trading after year end.

As at 30 June 2017, these investments held by the Sub-Fund included listed equities of RMB606,040,386 (31 December 2016: RMB168,414,838) which have been suspended for trading. Having considered the factors mentioned above, management has based on their best estimation and concluded using the last closing price adjusted down by 35% for the “CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1”, using the latest available price before suspension as the fair value for the rest of the investments as at 30 June 2017 and using the latest available price before suspension as the fair value of the investments as at 31 December 2016. Refer to Note 8(d).

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

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

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

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

The movements of the redeemable units are as follows:

	Period from 1 January 2017 to 30 June 2017 (Unaudited) units	Period from 1 January 2016 to 30 June 2016 (Unaudited) units
Number of units in issue at the beginning of the period	1,735,500,000	1,715,000,000
Units issued	346,500,000	1,085,500,000
Units redeemed	(326,000,000)	(455,000,000)
	1,756,000,000	2,345,500,000
Number of units in issue at the end of the period	1,756,000,000	2,345,500,000

Establishment costs are expensed as incurred. However, in accordance with the provisions of the Trust’s Prospectus, establishment costs are recognised using the amortisation method. As at 31 December 2016, the expensing of establishment costs as stated in the financial statements resulted in a decrease of net assets attributable to unitholders of RMB88,045 when compared with the methodology indicated in the Trust’s Prospectus. No establishment costs have been expensed for the period ended 30 June 2017.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

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

	As at 30 June 2017 (Unaudited) <i>RMB</i>	As at 31 December 2016 (Audited) <i>RMB</i>
Net assets attributable to unitholders as reported in the statement of financial position	19,939,224,566	17,192,094,767
Adjustments for unamortised establishment costs	-	88,045
Net asset value in accordance with the Trust's Prospectus	<u>19,939,224,566</u>	<u>17,192,182,812</u>
Net assets attributable to unitholders per unit (per statement of financial position)	<u>11.3549</u>	<u>9.9061</u>
Net assets attributable to unitholders per unit (at dealing net asset value)	<u>11.3549</u>	<u>9.9062</u>

**5. NET GAIN/(LOSS) ON INVESTMENTS**

	Period from 1 January 2017 to 30 June 2017 (Unaudited) <i>RMB</i>	Period from 1 January 2016 to 30 June 2016 (Unaudited) <i>RMB</i>
Net fair value change in unrealised gain/loss in value of investments	1,891,663,441	(1,674,714,296)
Net realised gain/(loss) on sale of investments	433,816,799	(598,709,855)
	<u>2,325,480,240</u>	<u>(2,273,424,151)</u>

**6. TAXATION**

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

PRC tax

The Sub-Fund invests in A-Shares listed in the PRC and is subjected to 10% withholding tax on dividend income derived from A-Shares. Withholding tax was charged on dividend income received from A-Shares during the period from 1 January 2017 to 30 June 2017. Refer to Note 3 for PRC withholding tax on gains derived from the sale of A-shares by QFIIs and RQFIIs.

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**6. TAXATION (Continued)**

The taxation of the Sub-Fund represents:

	Period from 1 January 2017 to 30 June 2017 (Unaudited) RMB	Period from 1 January 2016 to 30 June 2016 (Unaudited) RMB
Withholding tax on dividend income	18,003,503	22,749,213
Withholding tax on interest income	10,334	24,952
	<u>18,013,837</u>	<u>22,774,165</u>
	-----	-----
Tax expenses	<u>18,013,837</u>	<u>22,774,165</u>

**7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS**

The following is a summary of significant related party transactions/transactions entered into during the period between the Sub-Fund and the Trustee, the Manager and the Connected Persons of the Manager. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the period from 1 January 2017 to 30 June 2017, between the Sub-Fund and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with the Connected Persons of the Manager except for those disclosed below.

**(a) Management fee**

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

**(b) Trustee fee and Registrar's fee**

The Trustee is entitled to receive a trustee fee of up to 1% per annum of the net asset value of the Sub-Fund, which accrued daily and calculated as at each dealing day and payable monthly in arrears. For the period/year ended 30 June 2017 and 31 December 2016, the trustee fee is calculated as a percentage per annum of the net asset value of the Sub-Fund at the rate as follows, subject to a monthly minimum of RMB40,000:

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

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

**(b) Trustee fee and Registrar's fee (Continued)**

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

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

**(c) Financial assets**

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

	As at 30 June 2017 (Unaudited) <i>RMB</i>	As at 31 December 2016 (Audited) <i>RMB</i>
<b>Investments</b>		
HSBC Bank (China) Company Limited	19,842,096,423	17,177,372,883
	<u>19,842,096,423</u>	<u>17,177,372,883</u>
<b>Bank balances</b>		
The Hongkong and Shanghai Banking Corporation Limited	243,333,588	27,455,761
HSBC Bank (China) Company Limited	999,000	12,822,162
	<u>244,332,588</u>	<u>40,277,923</u>

Interest income amounting to RMB130,418 (2016: RMB249,522) was earned on these bank balances for the period ended 30 June 2017 and 2016.

**(d) License fee**

According to the Trust Deed dated 25 July 2012, as amended, the license fees and expenses payable to the owner of an index for the use of such index shall be payable out of the Sub-Fund. The license fee for the period and payable as at 30 June 2017 amounted to RMB8,683,425 (for the period from 1 January 2016 to 30 June 2016: RMB11,218,936) and RMB8,579,053 (as at 31 December 2016: RMB10,065,032) respectively.



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**8. FINANCIAL RISK MANAGEMENT**

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

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

**(a) Market risk**

**(i) Market price risk**

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

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

As at 30 June 2017 and 31 December 2016, the Sub-Fund's investments were concentrated in the following industries:

	30 June 2017 (Unaudited)		31 December 2016 (Audited)	
	Fair value	% of net asset value	Fair value	% of net asset value
	<i>RMB</i>		<i>RMB</i>	
Listed equities in PRC – by industry				
Basic materials	353,635,087	1.77	153,662,997	0.89
Consumer goods	2,813,988,976	14.11	2,045,331,472	11.90
Financials	12,555,455,636	62.98	11,903,756,589	69.24
Health Care	281,631,292	1.41	88,029,586	0.51
Industrials	2,584,442,241	12.96	2,175,816,158	12.65
Oil & gas	405,319,412	2.03	402,492,070	2.34
Technology	254,444,416	1.28	35,907,130	0.21
Telecommunications	171,771,626	0.86	-	-
Utilities	421,407,737	2.11	372,376,881	2.17
	<u>19,842,096,423</u>	<u>99.51</u>	<u>17,177,372,883</u>	<u>99.91</u>

The Sub-Fund held 50 out of 50 (31 December 2016: 50 out of 50) constituent securities comprising the FTSE China A50 Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the FTSE China A50 Index.

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**8. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Market risk (Continued)**

**(i) Market price risk (Continued)**

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

As at 30 June 2017, if the FTSE China A50 Index were to increase by 10% (31 December 2016: 10%) with all other variables held constant, this would increase the operating profit for the period/year by approximately RMB1,984,209,642 (31 December 2016: RMB2,360,826,417). Conversely, if the FTSE China A50 Index were to decrease by 10% (31 December 2016: 10%), this would decrease the operating profit for the period/year by an equal amount.

**(ii) Interest rate risk**

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

As at 30 June 2017 and 31 December 2016, interest rate risk arises only from bank balances. As the bank balances held by the Sub-Fund is short term in nature and the interest arising from these interest bearing assets are immaterial, the Manager considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. As a result, the Manager considers sensitivity analysis of interest rate risk is not necessary to be presented.

**(iii) Currency risk**

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

**(b) Credit and counterparty risk**

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

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

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

As at 30 June 2017, the Sub-Fund placed bank balances of RMB243,333,588 (31 December 2016: RMB27,455,761) with The Hong Kong and Shanghai Banking Corporation Limited ("HSBC"), which is the custodian of the Sub-Fund. The S&P credit rating of HSBC is A (31 December 2016: A).

As at 30 June 2017, the Sub-Fund placed bank balances of RMB999,000 (31 December 2016: RMB12,822,162) and investments of RMB19,842,096,423 (31 December 2016: RMB17,177,372,883) with HSBC Bank (China) Company Limited ("HSBC China"), which is the PRC custodian of the Sub-Fund. The Moody's credit rating of HSBC China is A1 (31 December 2016: A1).

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**8. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit and counterparty risk (Continued)**

The maximum exposure to credit risk as at 30 June 2017 and 31 December 2016 is the carrying amount of the financial assets as shown on the statement of financial position.

The Manager considers that none of assets are impaired nor past due as at 30 June 2017 and 31 December 2016.

**(c) Liquidity risk**

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

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

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

	Less than 1 month <i>RMB</i>	1 month to less than 3 months <i>RMB</i>	Over 3 months <i>RMB</i>	Total <i>RMB</i>
<b>As at 30 June 2017</b>				
Amounts due to participating dealers	123,752,676	-	-	123,752,676
Management fee payable	14,736,311	-	-	14,736,311
Trustee fee payable	-	1,302,594	-	1,302,594
License fee payable	-	8,579,053	-	8,579,053
Other accounts payable	-	1,560	224,519	226,079
<b>Contractual cash outflow</b>	<b>138,488,987</b>	<b>9,883,207</b>	<b>224,519</b>	<b>148,596,713</b>
<b>As at 31 December 2016</b>				
Management fee payable	15,084,826	-	-	15,084,826
Trustee fee payable	-	1,334,177	-	1,334,177
License fee payable	-	10,065,032	-	10,065,032
Other accounts payable	-	720	456,152	456,872
<b>Contractual cash outflow</b>	<b>15,084,826</b>	<b>11,399,929</b>	<b>456,152</b>	<b>26,940,907</b>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**8. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk (Continued)**

Units are redeemed on demand at the unitholder's option. As at 30 June 2017, there was 1 (31 December 2016: 2) unitholder holding more than 10% of the Sub-Fund's units.

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

	Less than 1 month <i>RMB</i>	1 to 12 months <i>RMB</i>	No stated maturity <i>RMB</i>	Total <i>RMB</i>
<b>As at 30 June 2017</b>				
Total assets	<u>19,480,388,625</u>	<u>9,068</u>	<u>607,423,586</u>	<u>20,087,821,279</u>
<b>As at 31 December 2016</b>				
Total assets	<u>17,217,650,806</u>	<u>1,668</u>	<u>1,383,200</u>	<u>17,219,035,674</u>

**(d) Fair value estimation**

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

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

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

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

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**8. FINANCIAL RISK MANAGEMENT (Continued)**

**(d) Fair value estimation (Continued)**

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets (by class) measured at fair value at 30 June 2017 and 31 December 2016:

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
<b>As at 30 June 2017</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Equity securities	19,236,056,037	434,268,760	171,771,626	19,842,096,423
<b>Total assets</b>	<u>19,236,056,037</u>	<u>434,268,760</u>	<u>171,771,626</u>	<u>19,842,096,423</u>
<b>As at 31 December 2016</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Equity securities	17,008,958,045	168,414,838	-	17,177,372,883
<b>Total assets</b>	<u>17,008,958,045</u>	<u>168,414,838</u>	<u>-</u>	<u>17,177,372,883</u>

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. Management has used best estimation and assessed all available information and considers that the last traded price is the best estimation of the fair value of level 2 investments as at 30 June 2017 and 31 December 2016.

As at 30 June 2017, three listed equity investments amounted to RMB606,040,386, represented 3.03% of the net asset value of the Sub-Fund, were suspended for trading due to voluntary business restructuring. One of the suspended instruments as at 30 June 2017 has resumed trading on 21 August 2017.

As at 31 December 2016, one listed equity investment amounted to RMB168,414,838, represented 0.98% of the net asset value of the Sub-Fund, was suspended for trading due to voluntary business restructuring. The suspended instrument as at 31 December 2016 has resumed trading on 26 January 2017.

The suspended equity investments of RMB434,268,760 (31 December 2016: RMB168,414,838) have been transferred from level 1 to level 2 and classified as level 2 investment during the period/year ended 30 June 2017 and 31 December 2016. Transfer between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**8. FINANCIAL RISK MANAGEMENT (Continued)**

**(d) Fair value estimation (Continued)**

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

The following table presents the movement in level 3 investments for the period ended 30 June 2017 of the Sub-Fund.

	30 June 2017 RMB
Opening balance	-
Purchases	341,296,158
Sales	(64,614,200)
Gains and losses recognized in statement of comprehensive income	(104,910,332)
	<hr/>
Closing balance	171,771,626
	<hr/> <hr/>
Total gains/losses for the period included in the statement of comprehensive income for financial assets and liabilities at the end of the period	(102,958,828)
	<hr/> <hr/>

The following table presents level 3 investments of the Sub-Fund as at 30 June 2017.

<u>Type of Security</u>	<u>RMB</u>	<u>Valuation technique</u>	<u>Unobservable input</u>	<u>Weighted average input</u>	<u>% of NAV</u>
Equity Security	171,771,626	Last transacted price with discount factor	Discount factor	35%	0.86%

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

**(e) Capital risk management**

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

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

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**9. DISTRIBUTION**

There is no distribution during the period ended 30 June 2017 and 30 June 2016.

**10. FINANCIAL INSTRUMENTS BY CATEGORY**

As of 30 June 2017 and 31 December 2016, other than investments as disclosed in the financial statements which are classified as financial assets at fair value through profit or loss, all financial assets including deposit reserve, interest receivable and bank balances are categorised as loans and receivables and carried at amortised costs. All the financial liabilities of the Sub-Fund are carried at amortised cost.

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

**11. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE**

Pursuant to the SFC's Guidelines for Regulating Index Tracking Exchange Trade Funds (the "ETF Guidelines"), the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the underlying index, except where the weightings are exceeded as a result of changes in the composition of the underlying index and the excess is only transitional and temporary in nature. The Manager and the Trustee have confirmed that the Sub-Fund has complied with this limit during the period/year ended 30 June 2017 and 31 December 2016.

There was one constituent security that individually accounted for more than 10% of the net asset value of the Sub-Fund and their respective weightings of the FTSE China A50 Index as at 30 June 2017 (31 December 2016: Nil).

**As at 30 June 2017**

	Weighting in index (%)
<b>China</b>	
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	10.62%

During the period ended 30 June 2017, the FTSE China A50 net return index increased by 15.97% while the net asset value per unit of the Sub-Fund increased by 14.62%.

During the year ended 31 December 2016, the FTSE China A50 net return index decreased by 4.26% while the net asset value per unit of the Sub-Fund decreased by 7.32%.

**12. SOFT COMMISSION ARRANGEMENT**

The Manager has entered into soft commission arrangements for the period/year ended 30 June 2017 and 31 December 2016 with some brokers under which certain goods and services used to support investment decision making are obtained from third parties and are paid for by the brokers in consideration of transactions of the Sub-Fund directed to the brokers. These may include, for example, research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; clearing, registrar and custodial services and investment-related publication; computer hardware and software incidental to the above goods and services.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**13. SEGMENT INFORMATION**

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

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

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

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

The total of non-current assets of the Sub-Fund located in PRC in RMB1,383,200 (31 December 2016: RMB1,383,200). The Sub-Fund has no other assets classified as non-current assets. As at 30 June 2017, the Sub-Fund has a diversified portfolio of investments and one single investment accounts for more than 10% of the Sub-Fund's net asset value (31 December 2016: Nil).



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**INVESTMENT PORTFOLIO (Unaudited)**

*As at 30 June 2017*

	<b>Holdings</b>	<b>Fair value RMB</b>	<b>% of net assets</b>
<b>Investments (99.51%)</b>			
<b>Listed equities (99.51%)</b>			
<b>China (99.51%)</b>			
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	162,929,940	573,513,389	2.88
BANK OF BEIJING CO LTD ORD CNY1 CL A	49,844,532	457,074,358	2.29
BANK OF CHINA LTD A SHS ORD CNY1	97,324,368	360,100,162	1.81
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	92,435,070	569,400,031	2.86
BANK OF SHANGHAI CO LTD A SHS ORD CNY1	2,760,708	70,508,482	0.35
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	24,079,070	161,570,560	0.81
BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1	95,627,683	397,811,161	2.00
BYD CO LTD A SHRS ORD CNY1	2,506,887	125,219,006	0.63
CHINA CITIC BANK CORP A SHRS ORD CNY1	12,581,305	79,136,408	0.40
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	6,520,517	103,611,015	0.52
CHINA CONSTRUCTION BANK A SHS ORD CNY1	41,574,233	255,681,533	1.28
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	64,319,290	260,493,124	1.31
CHINA LIFE INSURANCE CO A SHS ORD NPV	6,724,676	181,431,758	0.91
CHINA MERCHANTS BANK A SHR ORD CNY1	54,294,124	1,298,172,505	6.51
CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD ORD CNY1	9,486,654	202,634,929	1.02
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	106,385,350	874,487,577	4.39
CHINA NATIONAL NUCLEAR POWER CO LTD A SHS ORD CNY1	17,960,037	140,267,889	0.70
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	11,607,161	393,134,543	1.97
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	44,124,221	261,656,631	1.31
CHINA RAILWAY GROUP LTD A ORD CNY1	23,748,537	205,899,816	1.03
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	17,527,020	210,850,051	1.06
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	8,616,623	192,064,527	0.96
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	39,002,292	242,204,233	1.21
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	55,404,285	536,313,479	2.69
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	35,343,956	171,771,626	0.86
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	18,279,574	281,139,848	1.41
CITIC SECURITIES CO LTD A SHR ORD CNY1	35,876,445	610,617,094	3.06
CRRC CORP LTD A SHR ORD CNY1	38,192,038	386,503,425	1.94
GF SECURITIES CO LTD A SHR ORD CNY1	11,599,061	200,083,802	1.00
GUANGZHOU AUTOMOBILE GROUP CO LTD A SHRS ORD CNY1	2,419,743	63,058,503	0.32

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

**INVESTMENT PORTFOLIO (Unaudited) (Continued)**

*As at 30 June 2017*

	<b>Holdings</b>	<b>Fair value RMB</b>	<b>% of net assets</b>
<b>Investments (99.51%) (continued)</b>			
<b>Listed equities (99.51%) (continued)</b>			
<b>China (99.51%) (continued)</b>			
GUOTAI JUNAN SECURITIES CO LTD A SHRS ORD NPV	15,281,356	313,420,612	1.57
HAITONG SECURITIES CO LTD CL A ORD CNY1	27,651,746	410,628,428	2.06
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	12,784,664	412,944,647	2.07
HEDY HOLDING CO LTD A SHS ORD CNY1	18,491,600	254,444,416	1.28
HUATAI SECURITIES CO LTD A SHS ORD CNY1	12,053,115	215,750,758	1.08
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	99,584,673	522,819,533	2.62
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	63,955,582	1,078,291,113	5.41
JIANGSU HENGRUI MEDICINE CO LTD A SHR ORD CNY1	5,566,936	281,631,292	1.41
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	2,039,911	177,084,674	0.89
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	2,045,743	965,283,835	4.84
MIDEA GROUP COMPANY LIMITED A SHR ORD NPV	16,322,104	702,503,356	3.52
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	2,588,406	133,044,068	0.67
PETROCHINA CO LTD A SHRS CNY1	18,681,766	143,662,781	0.72
PING AN BANK CO LTD A SHR ORD CNY1	33,297,250	312,661,178	1.57
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	42,505,956	2,108,720,477	10.58
POLY REAL ESTATE GROUP CO LTD A SHR ORD CNY1	27,028,094	269,470,097	1.35
SAIC MOTOR CORP LTD A SHR ORD CNY1	10,883,912	337,945,468	1.69
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	13,928,141	88,304,414	0.44
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	63,571,516	804,179,677	4.03
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	7,957,135	442,894,134	2.22
		<hr/>	<hr/>
<b>Total investments</b>		19,842,096,423	99.51
<b>Other net assets</b>		97,128,143	0.49
		<hr/>	<hr/>
<b>Net assets attributable to unitholders at 30 June 2017</b>		19,939,224,566	100.00
		<hr/> <hr/>	<hr/> <hr/>
<b>Total investments, at cost</b>		17,419,732,437	
		<hr/> <hr/>	

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

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

*For the period ended 30 June 2017*

	<b>Holdings</b>				<b>30 June 2017</b>
	<b>1 January 2017</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments</b>					
<b>Listed equities</b>					
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	169,324,240	38,770,900	-	45,165,200	162,929,940
BANK OF BEIJING CO LTD ORD CNY1 CL A	51,809,006	13,527,926	-	15,492,400	49,844,532
BANK OF CHINA LTD A SHS ORD CNY1	101,136,909	20,191,659	-	24,004,200	97,324,368
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	96,055,016	24,163,854	-	27,783,800	92,435,070
BANK OF SHANGHAI CO LTD A SHS ORD CNY1	-	3,010,908	-	250,200	2,760,708
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	-	34,079,070	-	10,000,000	24,079,070
BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1	-	95,627,683	-	-	95,627,683
BYD CO LTD A SHRS ORD CNY1	2,608,428	524,459	-	626,000	2,506,887
CHINA CITIC BANK CORP A SHRS ORD CNY1	13,070,905	2,625,900	-	3,115,500	12,581,305
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	6,766,017	1,344,200	-	1,589,700	6,520,517
CHINA CONSTRUCTION BANK A SHS ORD CNY1	43,437,402	8,657,831	-	10,521,000	41,574,233
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	66,861,390	13,315,900	-	15,858,000	64,319,290
CHINA LIFE INSURANCE CO A SHS ORD NPV	6,995,066	1,787,410	-	2,057,800	6,724,676
CHINA MERCHANTS BANK A SHR ORD CNY1	56,794,541	14,290,183	-	16,790,600	54,294,124
CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD ORD CNY1	9,862,609	1,953,545	-	2,329,500	9,486,654

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

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)**  
*For the period ended 30 June 2017*

	Holdings				30 June 2017
	1 January 2017	Additions	Corporate actions	Disposals	
<b>Investments (Continued)</b>					
<b>Listed equities (Continued)</b>					
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	110,609,387	30,044,363	-	34,268,400	106,385,350
CHINA NATIONAL NUCLEAR POWER CO LTD A SHS ORD CNY1	18,671,959	3,729,778	-	4,441,700	17,960,037
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	12,088,523	2,813,838	-	3,295,200	11,607,161
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	45,853,671	15,714,750	-	17,444,200	44,124,221
CHINA RAILWAY GROUP LTD A ORD CNY1	26,829,768	9,184,569	-	12,265,800	23,748,537
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	18,217,091	3,617,029	-	4,307,100	17,527,020
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	9,497,095	1,093,328	-	1,973,800	8,616,623
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	42,291,398	13,917,394	-	17,206,500	39,002,292
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	57,581,485	12,970,500	-	15,147,700	55,404,285
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	-	43,843,956	-	8,500,000	35,343,956
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	19,001,015	4,801,259	-	5,522,700	18,279,574
CITIC SECURITIES CO LTD A SHR ORD CNY1	37,297,706	11,069,339	-	12,490,600	35,876,445
CRRC CORP LTD A SHR ORD CNY1	37,410,450	9,115,788	-	8,334,200	38,192,038
DAQIN RAILWAY CO LTD A SHS ORD CNY1	25,553,788	2,598,001	-	28,151,789	-
GF SECURITIES CO LTD A SHR ORD CNY1	12,214,227	2,414,034	-	3,029,200	11,599,061
GOUSEN SECURITIES CO LTD	5,902,116	7,111,997	-	13,014,113	-

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

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)**  
*For the period ended 30 June 2017*

	Holdings				30 June 2017
	1 January 2017	Additions	Corporate actions	Disposals	
<b>Investments (Continued)</b>					
<b>Listed equities (Continued)</b>					
GREENLAND HOLDINGS CORPORATION LIMITED A SHRS ORD1 CNY1	8,759,055	8,117,356	-	16,876,411	-
GUANGZHOU AUTOMOBILE GROUP CO LTD A SHRS ORD CNY1	1,824,100	964,943	-	369,300	2,419,743
GUOTAI JUNAN SECURITIES CO LTD A SHRS ORD NPV	16,100,251	5,191,905	-	6,010,800	15,281,356
HAITONG SECURITIES CO LTD CL A ORD CNY1	28,779,207	6,847,539	-	7,975,000	27,651,746
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	7,614,822	3,293,086	3,513,556	1,636,800	12,784,664
HEDY HOLDING CO LTD A SHS ORD CNY1	2,516,267	17,279,733	-	1,304,400	18,491,600
HUATAI SECURITIES CO LTD A SHS ORD CNY1	12,576,704	2,485,311	-	3,008,900	12,053,115
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	103,499,173	26,628,000	-	30,542,500	99,584,673
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	65,825,216	19,459,466	-	21,329,100	63,955,582
JIANGSU HENGRUI MEDICINE CO LTD A SHR ORD CNY1	-	7,566,936	-	2,000,000	5,566,936
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	1,741,311	663,000	-	364,400	2,039,911
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	2,170,941	567,902	-	693,100	2,045,743
MIDEA GROUP COMPANY LIMITED A SHR ORD NPV	16,885,632	14,904,272	-	15,467,800	16,322,104
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	2,701,506	541,100	-	654,200	2,588,406
PETROCHINA CO LTD A SHRS CNY1	19,424,366	3,873,100	-	4,615,700	18,681,766

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

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)**  
*For the period ended 30 June 2017*

	<b>Holdings</b>				
	<b>1 January 2017</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	<b>30 June 2017</b>
<b>Investments (Continued)</b>					
<b>Listed equities (Continued)</b>					
PING AN BANK CO LTD A SHR ORD CNY1	34,603,650	31,893,900	-	33,200,300	33,297,250
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	44,184,368	10,204,788	-	11,883,200	42,505,956
POLY REAL ESTATE GROUP CO LTD A SHR ORD CNY1	28,444,350	6,849,744	-	8,266,000	27,028,094
SAIC MOTOR CORP LTD A SHR ORD CNY1	11,110,300	4,065,912	-	4,292,300	10,883,912
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	15,567,268	4,235,673	-	5,874,800	13,928,141
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	50,831,745	15,739,833	14,062,938	17,063,000	63,571,516
SHANGHAI RAAS BLOOD PRODUCTS CO LTD A SHR ORD CNY1	3,812,455	390,347	-	4,202,802	-
SHENWAN HONGYUAN GROUP CO LTD A SHRS ORD CNY1	26,946,374	32,711,660	-	59,658,034	-
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	8,379,324	1,669,611	-	2,091,800	7,957,135

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

**Net asset value**

	Net asset value of the Sub-Fund <i>RMB</i>	Net asset value per unit <i>RMB</i>
At the end of financial period/year dated		
30 June 2017	19,939,224,566	11.3549
31 December 2016	17,192,182,812	9.9062
31 December 2015	18,331,141,986	10.6887

**Highest and lowest net asset value per unit**

	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
Financial period/year ended		
30 June 2017	11.3825	9.9773
31 December 2016	10.8850	8.5007
31 December 2015	15.0028	8.6763
31 December 2014	11.3976	6.3961
31 December 2013	9.1469	6.8307
31 December 2012 (since 23 August 2012 (date of inception))	8.2890	6.9571

**CSOP FTSE CHINA A50 ETF  
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**MANAGEMENT AND ADMINISTRATION**

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