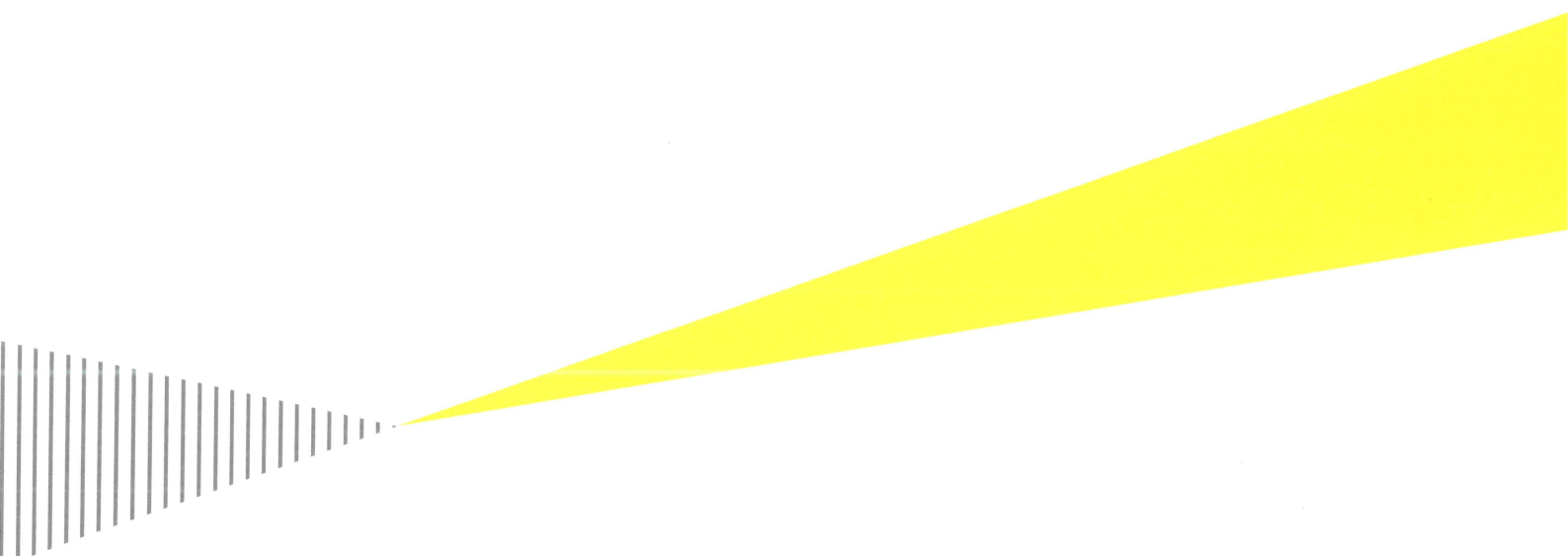


## **Annual Report**

### **HAITONG ETF SERIES – HAITONG CSI300 INDEX ETF**

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

31 December 2017



**Building a better  
working world**

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

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

MANAGEMENT AND ADMINISTRATION

**Directors of the Manager**

Lo Wai Ho  
Sun Tong  
Yang Jianxin  
Chen Xuan (appointed on 1 February 2018)  
Poon Mo Yiu (appointed on 28 March 2018)  
Zhang Xinjun (resigned on 28 March 2018)

**Trustee and Registrar**

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

**Service Agent**

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

**Legal Advisers to the Manager**

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

**RQFII Holder**

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

**Manager**

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

**Auditors**

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

**Custodian**

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

**PRC Custodian**

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

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

MANAGEMENT AND ADMINISTRATION (continued)

**Participating Dealers**

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

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

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

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

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

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

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

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

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

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

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

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

REPORT OF THE MANAGER TO THE UNITHOLDERS

**Market Review**

China's economy continues to defy concerns about a slowing economy due to resilient private consumption and strong export growth. China's GDP rose 6.90% annually in 2017, reversing a downward growth trend for the first time since 2010 in an indication of strong resilience in the world's second-largest economy. Considering the external macroeconomic environment, the International Monetary Fund (IMF) has revised up its global economic growth forecast to 3.60% in 2017 and 3.70% in 2018, driven by better-than-expected recovery in worldwide economic activities. Broad-based upward revisions in the euro area, Japan, emerging Asia, emerging Europe, and Russia more than offset downward revisions for the United States and the United Kingdom.

In a long awaited decision, the index provider MSCI said in June 2017 that it would add 222 China A-share large cap stocks on a gradual basis beginning from the next year. This decision has broad support from international investors as they embrace positive changes in the accessibility and liquidity of China's A-shares market. The Chinese yuan surprised the world with its strength in 2017. As of December 29th, the last trading day of 2017, the yuan's onshore exchange rate stood at 6.5068 against the U.S. dollar, rising 6.31% for the year. With sound economic fundamentals, improved regulation, a relatively tightened monetary environment and increased global use of the currency, the yuan's stability has been justified and will stay well-supported. The Shanghai Composite Index ended the year by gaining 6.55%, while the Shenzhen Component Index advanced 8.48%.

**Portfolio review**

In 2017, the Fund's NAV per unit gained 20.55% (exclude dividends paid), and if including fund's dividends paid, the yield was 21.43%. The underlying index CSI300 generated a positive return of 21.78% during the same period. The annual tracking error of the fund for Year 2017 was 1.46%, including the impact of fund's CGT adjustments.

**Market Outlook**

Looking into Year 2018, the broad weakness in U.S. dollar, China's steady GDP growth and sound financial systems will help support the Chinese yuan and soften concerns about capital outflows in China. Overall, the Chinese economy will keep at a stable and favorable development momentum in a recovering global context. We believe that the Chinese government will continue to take stimulating economic measures, tackle financial risks and keep the monetary conditions accommodative.

Generally speaking, we hold an optimistic view of China's A-share market towards 2018. The country's on-going supply-side structural reforms will be strengthened and the economy will show fresh signs of strength, from increased business confidence to an expansionary factory gauge. Inclusion of A-share market in the MSCI Emerging Markets Index is a significant step toward integrating China into global financial markets. Increased inflows should improve governance standards and boost market liquidity. The innovation-driven "new economy", carried by forms of the sharing economy, platform economy and digital economy, has transformed to be a new growth engine of the country. Sub-sectors such as information technology, logistics, tourism, consumer goods and services etc., will maintain solid growth in the next year. We believe that monetary policy will remain loose, helping to ease social average cost of financing, benefit corporate management, and support financial assets valuation at the same time.



Haitong International Asset Management (HK) Limited  
(formerly known as Hai Tong Asset Management (HK) Limited)

30 APR 2018

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

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, Haitong International Asset Management (HK) Limited (formerly known as Hai Tong Asset Management (HK) Limited), the Manager of Haitong CSI300 Index ETF, a Sub-Fund of Haitong ETF Series has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 13 December 2013 for the year ended 31 December 2017.



HSBC Institutional Trust Services (Asia) Limited

30 APR 2018

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

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

**Manager's Responsibilities**

The Manager of the Haitong CSI300 Index ETF, a Sub-Fund of Haitong ETF Series, is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code") and the Trust Deed dated 13 December 2013 (the "Trust Deed"), to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements the Manager is required to:

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

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

Haitong ETF Series (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 December 2017, the Trust has established one Sub-Fund, namely the Haitong CSI300 Index ETF.

**Trustee's Responsibilities**

The Trustee of the Sub-Fund is required to:

- ensure that the Sub-Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not managing the Sub-Fund in accordance to the Trust Deed.

## Independent auditor's report

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

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Haitong CSI 300 Index ETF (a sub-fund of Haitong ETF Series (the "Trust")) and referred to as the "Sub-Fund") set out on pages 11 to 40, which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders, the statement of cash flows and the statement of distribution for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Sub-Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

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

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



## Independent auditor's report (continued)

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

## Report on the audit of the financial statements (continued)

### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<b>Existence and valuation of financial assets at fair value through profit or loss</b>	
<p>As at 31 December 2017, the financial assets at fair value through profit or loss represented the majority of the net asset value of the Sub-Fund. These financial assets were listed shares in the Shanghai Stock Exchange or the Shenzhen Stock Exchange, comprising of approximate 300 constituent listed shares of CSI 300 Index. They were kept by one custodian and measured at fair value. Furthermore, as at 31 December 2017, equity investments amounting to RMB6,825,098 were suspended shares which represented approximately 1.2% of the net asset value of the Sub-Fund. We focused on this area because the financial assets at fair value through profit or loss represented the principal element of the financial statements and the significant assumptions and judgement involved in measuring the fair value of the suspended shares.</p>	<p>We obtained independent confirmation from the custodian and counterparties of the investment portfolio held at 31 December 2017, agreeing the quantities held to the accounting records. We tested the design and operating effectiveness of controls for the valuation of financial instruments. In addition, we checked the valuation of the financial assets at fair value through profit or loss that are quoted in active markets by independently agreeing the valuation of financial assets to third party vendor sources such as Reuters or Bloomberg at 31 December 2017.</p> <p>For suspended shares whose quoted price cannot be obtained, we evaluated the valuation techniques and inputs applied through comparison with the valuation techniques that are commonly used in the market and the validation of observable inputs using external market data. In addition, we evaluated the assumptions made by the management and reviewed the financial statement disclosures regarding fair value hierarchy as set out in the note 9 to the financial statements.</p>

### Other information included in the Annual Report

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

## **Independent auditor's report (continued)**

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

## **Report on the audit of the financial statements (continued)**

### **Other information included in the Annual Report (continued)**

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

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

### **Responsibilities of the Trustee and the Manager for the financial statements**

The Trustee and the Manager are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Trustee and the Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

## **Independent auditor's report (continued)**

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

### **Report on the audit of the financial statements (continued)**

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

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

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

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

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

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

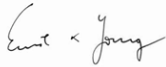
**Independent auditor's report** (continued)

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

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

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

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



Certified Public Accountants  
Hong Kong  
30 April 2018

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Notes	2017 RMB	2016 RMB
INCOME			
Dividend income		3,705,160	5,858,475
Interest income		22,872	15,749
Other income		171,992	246,762
		<u>3,900,024</u>	<u>6,120,986</u>
EXPENSES			
Management fee	5(a)	( 1,274,233)	( 1,581,563)
Trustee fee	5(a)	( 485,920)	( 478,128)
Brokerage and other transaction fees		( 155,224)	( 169,437)
Legal and professional fee		( 85,277)	( 343,432)
Auditor's remuneration		( 175,432)	( 204,232)
Registrar fee	5(a)	( 1,200)	( 840)
Other expenses		( 700,901)	( 711,621)
		<u>( 2,878,187)</u>	<u>( 3,489,253)</u>
PROFIT BEFORE INVESTMENT GAIN/(LOSS) AND EXCHANGE DIFFERENCES		1,021,837	2,631,733
INVESTMENT GAIN/(LOSS) AND EXCHANGE DIFFERENCES			
Net realised gains on financial assets at fair value through profit or loss		10,331,706	2,253,446
Net change in unrealised gains or losses on financial assets at fair value through profit or loss		30,171,333	( 51,184,320)
Foreign exchange differences		325	215
		<u>40,503,364</u>	<u>( 48,930,659)</u>
PROFIT/(LOSS) BEFORE TAX		41,525,201	( 46,298,926)
Withholding tax expense	7	( 389,570)	( 610,630)
PROFIT/(LOSS) AFTER TAX AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>41,135,631</u>	<u>( 46,909,556)</u>



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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Notes	2017 RMB	2016 RMB
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	9	567,310,739	228,670,555
Deposit reserve - China Exchange Clearing		380,800	380,800
Prepayments and other receivables		15,899	25,956
Cash and bank balances	10	33,820,222	2,333,943
<b>TOTAL ASSETS</b>		<b>601,527,660</b>	<b>231,411,254</b>
<b>LIABILITIES</b>			
Amounts due to a participating dealer	5(c)	18,246,711	-
Amounts due to a broker	11	2,382,111	-
Management fee payable	5(a)	178,888	116,455
Trustee fee payable	5(a)	44,914	38,993
Other payables and accruals		864,255	567,656
<b>TOTAL LIABILITIES</b>		<b>21,716,879</b>	<b>723,104</b>
<b>EQUITY</b>			
Net assets attributable to unitholders	12	579,810,781	230,688,150
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>601,527,660</b>	<b>231,411,254</b>
Number of units in issue	12	39,500,000	19,000,000
Net asset value per unit	12	14.6788	12.1415

Manager

Trustee

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2017

	Note	RMB
Net assets attributable to unitholders at 1 January 2016		378,953,756
Redemption of units		( 98,756,050)
Loss after tax and total comprehensive income for the year		( 46,909,556)
Distributions to unitholders	8	( 2,600,000)
Net assets attributable to unitholders at 31 December 2016 and 1 January 2017		230,688,150
Subscription of units		379,766,400
Redemption of units		( 70,379,400)
Profit after tax and total comprehensive income for the year		41,135,631
Distributions to unitholders	8	( 1,400,000)
Net assets attributable to unitholders at 31 December 2017		<u>579,810,781</u>

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	Notes	2017 RMB	2016 RMB
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		41,525,201	( 46,298,926)
Adjustments for:			
Dividend income		( 3,705,160)	( 5,858,475)
Interest income		( 22,872)	( 15,749)
(Increase)/decrease in financial assets at fair value through profit or loss		( 338,640,184)	147,585,133
Decrease/(increase) in prepayments and other receivables		12,630	( 1,553)
Increase in amounts due to a participating dealer		18,246,711	-
Increase in amounts due to a broker		2,382,111	-
Increase/(decrease) in management fee payable		62,433	( 75,370)
Increase/(decrease) in trustee fee payable		5,921	( 9,163)
Increase in other payables and accruals		296,599	2,136
Cash flows (used in)/from operations		( 279,836,610)	95,328,033
Dividend received		3,705,160	5,858,475
Interest received		20,299	15,752
Tax paid		( 389,570)	( 610,630)
Net cash flows (used in)/from operating activities		( 276,500,721)	100,591,630
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of units		379,766,400	-
Payments on redemption of units		( 70,379,400)	( 98,756,050)
Distributions paid to unitholders	8	( 1,400,000)	( 2,600,000)
Net cash flows from/(used in) financing activities		307,987,000	( 101,356,050)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at the beginning of the year		31,486,279	( 764,420)
		2,333,943	3,098,363
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
		33,820,222	2,333,943
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash at banks	10	33,820,222	2,333,943



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

STATEMENT OF DISTRIBUTION

For the year ended 31 December 2017

	Note	2017 RMB	2016 RMB
Undistributed income at the beginning of year		-	-
Profit/(loss) after tax and total comprehensive income for the year		41,135,631	( 46,909,556)
Net change in unrealised gains or losses on financial assets at fair value through profit or loss		( 30,171,333)	51,184,320
Undistributed income before distribution		10,964,298	4,274,764
Distributions distributed on 3 August 2017, RMB0.10 per unit (2016: 5 September 2016, RMB0.13 per unit)	8	( 1,400,000)	( 2,600,000)
Transfer to capital	8	( 9,564,298)	( 1,674,764)
Undistributed income at the year end		-	-

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

1. THE TRUST

Haitong ETF Series ("the Trust") is an umbrella unit trust governed by its trust deed dated 13 December 2013 (the "Trust Deed") between Haitong International Asset Management (HK) Limited (formerly known as Hai Tong Asset Management (HK) Limited) (the "Manager") and HSBC institutional Trust Services Asia Limited (The "Trustee"). The Trust Deed is governed by Hong Kong law. The Trust is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") pursuant to section 104(1) of the Securities and Futures Ordinance of Hong Kong.

These financial statements relate to the first Sub-Fund of the Trust, Haitong CSI300 Index ETF (the "Sub-Fund"). The date of inception of the Sub-Fund is 5 March 2014. The Sub-Fund is listed on the Hong Kong Stock Exchange (the "HKEx"). The stock codes for RMB counter is 82811 and HK counter is 02811.

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

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

The Sub-Fund obtains exposure to securities issued within the PRC through the RQFII quotas of Haitong International Holdings Limited, the holding company of the Manager (the "RQFII Holder"). As at 31 December 2017, the RQFII quota of Haitong International Holdings Limited approved by the SAFE was RMB10.7 billion (2016: RMB10.7 billion).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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 Standard Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E to the SFC Code.

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

2.2 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRSs effective 1 January 2017:

**IAS 7 Disclosure Initiative - Amendments to IAS 7**

Amendments to IAS 7 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. All the financing activities of the Sub-Fund related to net assets attributable to unitholders, but not relevant to any financial liabilities of the Sub-Fund, so these amendments do not have any significant impact on the Sub-Fund.

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

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

**IFRS 9 Financial Instruments**

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

The Sub-Fund plans to adopt the new standard on the required effective date and will not restate comparative information. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Sub-Fund in 2018 when the Sub-Fund will adopt IFRS 9. Overall, the Sub-Fund expects no significant impact on its results of financial performance or position.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(i) *Classification*

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

Financial assets at fair value through profit or loss

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

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

Loans and receivables

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

Other financial liabilities

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

(ii) *Recognition*

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

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

(iii) *Initial measurement*

Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

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

(iv) *Subsequent measurement*

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(v) *Subsequent measurement* (continued)

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

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(vi) *Derecognition*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired; or the Sub-Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either the Sub-Fund has transferred substantially all the risks and rewards of the asset, or the Sub-Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

The Sub-Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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

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

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

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

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

Impairment of financial assets

The Sub-Fund assesses at each reporting date 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 the 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 when applicable.

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; or
- (e) the total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund over the life of the instrument.

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

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

31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Dividend income

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

Interest income and expenses

Interest income and expenses are recognised in the statement of profit or loss and other comprehensive income as they accrue using the effective interest method.

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

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

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

Net realised gains or losses on disposals of financial instruments

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

Foreign currency

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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

Functional currency

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

Distributions to unitholders

Distributions are at the discretion of the Sub-Fund. A distribution to the Sub-Fund's unitholders is accounted for as a deduction from net assets attributable to unitholders. A proposed distribution is recognised as a liability in the year in which it is approved by the Manager. No distribution will be paid out of the Sub-Fund's capital.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxes

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

Related parties

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Going concern

The Sub-Fund's management has made an assessment of the Sub-Fund's ability to continue as a going concern and is satisfied that the Sub-Fund has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Sub-Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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

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

(a) Fees

Management fee

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

Trustee fee

The Trustee is entitled to receive a trustee fee of up to 1% per annum of the net asset value of the Sub-Fund, accrued daily and calculated as at each dealing day and payable monthly in arrears. The trustee fee is calculated as a percentage per annum of the net asset value of the Sub-Fund at the rate as follows, subject to a monthly minimum of RMB40,000:

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

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

Registrar fee

The Trustee, acting as the Registrar, is also entitled to receive a registrar fee of RMB120 per participating dealer per transaction for updating the register record of the Sub-Fund and an administrative transaction fee of RMB18,000 (2016: RMB18,000) per participating dealer per transaction for handling any cash creation and redemption of units of the Sub-Fund.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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

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

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

As at 31 December 2017

	Note	RMB
<u>Investments</u>		
HSBC Bank (China) Company Limited ("HSBC China")		<u>567,310,739</u>
<u>Bank balances</u>		
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	10	43,829
HSBC Bank (China) Company Limited ("HSBC China")	10	<u>33,776,393</u>
		<u>33,820,222</u>

As at 31 December 2016

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

At 31 December 2017, the interest income on bank balances was RMB22,872 (2016: RMB15,749).

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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

(c) Holdings in the Sub-Fund

The Manager and the Trustee entered into Participating Agreements with participating dealers to effect applications for creation and redemption of the Sub-Fund. The creation and redemption transactions and holdings in the Sub-Fund by the Connected Persons of the Manager as at 31 December 2017 and 31 December 2016 were as follows:

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

	Units outstanding at 1 January 2017	Units subscribed/ transferred in	Units redeemed/ transferred out	Total Units 31 December 2017
Haitong International Securities Company Limited	-	26,000,000	( 26,000,000)	-

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

As at 31 December 2017, amount of RMB18,246,711 was payable to Haitong International Securities Company Limited due to the creation of units made but not yet settled (2016: Nil).

d) Investment transactions with Connected Persons of the Manager

The following table shows an analysis of the Sub-Fund's transactions executed with Haitong Securities Company Limited, the ultimate holding company during the years ended 31 December 2017 and 2016.

	Aggregate value of transactions executed RMB	Total commission paid RMB	% of total transactions of the Sub-Fund	Average rate of commission of the Sub-Fund
<u>2017</u>				
Haitong Securities Company Limited	4,724,116	3,779	0.01%	0.08%
<u>2016</u>				
Haitong Securities Company Limited	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

6. SOFT COMMISSION ARRANGEMENTS

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

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

The Manager had not participated in any soft dollar arrangements in respect of any transactions for the accounts of the Sub-Fund for the year ended 31 December 2017 (2016: Nil).

7. INCOME TAX

Hong Kong Profits Tax

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

PRC Tax

Under PRC laws and regulations, foreign investors (such as the Sub-Fund) may be subject to a 10% withholding tax on income (such as dividend and interest) imposed on securities issued by PRC tax resident enterprises. The withholding tax on interest income for the year ended 31 December 2017 was RMB2,925 (2016: RMB1,574).

*Distribution Tax*

A 10% PRC withholding tax has been levied on dividend and interest payments from PRC companies to foreign investors. As such, the RQFII holder will pass on this tax liability to the Sub-Fund in the form of distribution tax and therefore the Sub-Fund is subject to a distribution tax of 10%. There is no assurance that the rate of the distribution tax will not be changed by the PRC tax authorities in the future. The distribution tax for the year ended 31 December 2017 was RMB386,645 (2016: RMB609,056).

*Capital Gains Tax*

In view of the "Notice on the issues of temporary exemption from the imposition of corporate income tax arising from gains from the transfer of equity investment assets such as PRC domestic stocks by Qualified Foreign Institutional Investor ("QFII") and RQFII" ("關於 QFII 和 RQFII 取得中國境內的股票等權益性投資資產轉讓所得暫免徵收企業所得稅問題的通告") Caishui [2014] No.79 (the "Notice") issued by the Ministry of Finance of the PRC (the "MoF"), the State Administration of Taxation of the PRC ("SAT") and the China Securities Regulatory Commission (the "CSRC"), the Sub-Fund has reversed all prior years provision for gross unrealised capital gains derived on disposal of A-Shares. With effect from 17 November 2014, no withholding tax is made by the Sub-Fund for capital gains derived on disposal of all A-Shares.

There was no capital gains tax charged for the year ended 31 December 2017 and 2016.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

8. DISTRIBUTIONS

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

	2017 RMB	2016 RMB
Distribution of RMB0.10 per unit made on 3 August 2017	1,400,000	-
Distribution of RMB0.13 per unit made on 5 September 2016	-	2,600,000

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

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

The following table shows an analysis of the Sub-Fund's financial assets measured at fair value at 31 December 2017 and 31 December 2016:

At 31 December 2017

	Quoted prices in active markets Level 1 RMB	Significant observable inputs Level 2 RMB	Significant unobservable inputs Level 3 RMB	Total RMB
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	560,485,641	3,478,631	3,346,467	567,310,739

At 31 December 2016

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

During the years ended 31 December 2017 and 2016 there have been transfers of investments between Level 1 and Level 2 due to suspension of trading.

Transfers between Level 1 and Level 2

As at 31 December 2017, the Sub-Fund reclassified seven listed equity securities, amounted to RMB2,770,385, from Level 1 to Level 2 financial instruments due to suspension of trading. These listed equity securities were temporarily suspended from trading as at 31 December 2017 and resumed trading from suspension before the date of authorisation of the financial statements for the year ended 31 December 2017.

As at 31 December 2016, the Sub-Fund reclassified four listed equity securities, amounted to RMB2,229,266, from Level 1 to Level 2 financial instruments due to suspension of trading. These listed equity securities were temporarily suspended from trading as at 31 December 2016 and resumed trading from suspension before the date of authorisation of the financial statements for the year ended 31 December 2016. As at 31 December 2017, three of these listed equity securities have been reclassified to Level 1.

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 2017, the Sub-Fund reclassified three listed equity securities, amounted to RMB2,452,279, from Level 1 to Level 3 financial instruments due to suspension of trading. These listed equity securities were suspended from trading as at 31 December 2017 and were still suspended from trading during the period between the end of the reporting period (i.e. 31 December 2017) and the date of authorisation of the Sub-Fund's financial statements for the year ended 31 December 2017.

As at 31 December 2016, the Sub-Fund reclassified five listed equity securities, amounted to RMB2,475,220, from Level 1 to Level 3 financial instruments due to suspension of trading. These listed equity securities were suspended from trading as at 31 December 2016 and were still suspended from trading during the period between the end of the reporting period (i.e. 31 December 2016) and the date of authorisation of the Sub-Fund's financial statements for the year ended 31 December 2016. As at 31 December 2017, three of these listed equity securities have been reclassified to Level 1 due to resumption of trading in 2017.

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

Transfers between Level 2 and Level 3

As at 31 December 2017, the Sub-Fund reclassified one listed equity security amounted to RMB366,030 from Level 2 to Level 3 financial instruments due to suspension of trading. The listed equity security suspended trading as at 31 December 2017 and was still suspended from trading during the period between the end of the reporting period as at 31 December 2017 and the date of authorisation of the Sub-Fund's financial statements for the year ended 31 December 2017.

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

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

Transfers between Level 2 and Level 3 (continued)

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

Valuation techniques

*Listed equity securities traded in active market with quoted market prices*

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

*Listed equity securities temporarily suspended on year end date*

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

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

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

Valuation process for Level 3 valuations

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



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NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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

Quantitative information of significant unobservable inputs - Level 3

Description	RMB	Valuation technique	Unobservable Input
<u>As at 31 December 2017</u>			
Equity securities	3,346,467	Index Return Method/ Last traded price	Return on relevant industry index
<u>As at 31 December 2016</u>			
Equity securities	2,475,220	Index Return Method/ Last traded price	Return on relevant industry index

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

<u>As at 31 December 2017</u>		Change in return of the index used	Effect on the fair value of investment RMB	Effect on the net assets attributable to unitholders RMB
Equity securities	CSI 300 Index	5%	167,300	167,300
	CSI 300 Index	-5%	(167,300)	(167,300)
<u>As at 31 December 2016</u>		Change in return of the index used	Effect on the fair value of investment RMB	Effect on the net assets attributable to unitholders RMB
Equity securities	CSI 300 Index	5%	123,800	123,800
	CSI 300 Index	-5%	(123,800)	(123,800)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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

Level 3 reconciliation

The following table shows a reconciliation of all movements in financial assets designated as at fair value through profit or loss categorised within Level 3 for the years ended 31 December 2017 and 2016.

	2017 RMB	2016 RMB
1 January	2,475,220	12,143,948
Net change in unrealised loss	( 362)	-
Transfer out of Level 3	( 1,946,700)	( 12,143,948)
Transfer into Level 3	2,818,309	2,475,220
	<u>3,346,467</u>	<u>2,475,220</u>
31 December		
	<u>3,346,467</u>	<u>2,475,220</u>
Total losses for the year included in profit or loss for assets held at the end of the year	<u>( 303,592)</u>	<u>( 972,307)</u>

10. CASH AND CASH EQUIVALENTS

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

11. AMOUNTS DUE TO A BROKER

	2017 RMB	2016 RMB
Amounts due to a broker		
- payables for securities purchased but not yet settled	<u>2,382,111</u>	<u>-</u>

The carrying amount of the amounts due to a broker approximates to its fair value.

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

	2017 Units	2016 Units
Number of units in issue at the beginning of the year	19,000,000	27,500,000
Units issued	26,000,000	-
Units redeemed	( 5,500,000)	( 8,500,000)
	<u>39,500,000</u>	<u>19,000,000</u>
Number of units in issue at the end of the year		
	<u>39,500,000</u>	<u>19,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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

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

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

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

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

	2017 RMB	2016 RMB
Net assets attributable to unitholders (Note)	580,253,723	231,508,830
Recognition of preliminary expenses (Note)	( 442,942)	( 820,680)
Net assets attributable to unitholders (per financial statements)	<u>579,810,781</u>	<u>230,688,150</u>

Note:

The net assets attributable to unitholders 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 attributable to unitholders as reported in the audited financial statements, the preliminary expenses are expensed as incurred, as required under IFRSs.

	Net assets per unit RMB	Net assets per unit (per financial statements) RMB
Net assets attributable to unitholders per unit at 31 December 2017	<u>14.6900</u>	<u>14.6788</u>
Net assets attributable to unitholders per unit at 31 December 2016	<u>12.1847</u>	<u>12.1415</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

13. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

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

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

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

There were no constituent securities that individually accounted for more than 10% of the net asset value of the Sub-Fund and their respective weightings of the CSI 300 Index as at 31 December 2017 and 31 December 2016.

14. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

Risk management

The Sub-Fund's objective in managing risk is the creation and protection of unitholders value. Risk is inherent in the Sub-Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Sub-Fund's continuing profitability. The Sub-Fund is exposed to market risk (which includes price risk, interest rate risk and currency risk), credit risk and liquidity risk arising from the financial instruments it holds.

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

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

(a) Market risk

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

(i) Equity price risk

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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

Risk management (continued)

(a) Market risk (continued)

(i) Equity price risk (continued)

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

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

	31 December 2017		31 December 2016	
	Fair value	% of net	Fair value	% of net
	RMB	asset	RMB	asset
		value		value
		%		%
A-Shares holdings				
By sectors				
Consumer Discretionary	66,646,517	11.49	25,609,988	11.10
Consumer Staples	46,066,141	7.94	13,534,143	5.87
Energy	14,380,812	2.48	5,621,160	2.44
Financials	220,365,109	38.01	92,994,687	40.31
Health Care	30,002,205	5.17	10,731,995	4.65
Industrials	78,830,228	13.60	37,437,707	16.23
Information Technology	45,212,504	7.80	19,475,124	8.44
Materials	38,006,655	6.55	13,197,706	5.72
Telecommunication Services	12,497,074	2.16	3,821,722	1.66
Utilities	15,303,494	2.64	6,246,323	2.71
	<u>567,310,739</u>	<u>97.84</u>	<u>228,670,555</u>	<u>99.13</u>

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

As at 31 December 2017, if the CSI300 Index were to increase by 10% (2016: 10%) with all other variables held constant, this would increase the profit before tax of the Sub-Fund for the year by approximately RMB56,731,000 (2016: RMB22,867,000). Conversely, if the CSI300 Index were to decrease by 10%, this would decrease the operating profit for the year by an approximately equal amount.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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

Risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk

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

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

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

(iii) Currency risk

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

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

(b) Credit and counterparty risk

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

All transactions by the Sub-Fund in securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of bank deposits and assets held with the custodian. The tables below summarise the Sub-Fund's assets placed with banks and the PRC custodian and their related credit ratings from Moody's:

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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

Risk management (continued)

(b) Credit and counterparty risk (continued)

	RMB	Credit rating	Source of credit rating
As at 31 December 2017			
<u>Banks</u>			
The Hong Kong and Shanghai Banking Corporation Limited ("HSBC")	43,829	Aa3	Moody's
HSBC Bank (China) Company Limited ("HSBC China")	33,776,393	A1	Moody's
<u>PRC Custodian</u>			
HSBC Bank (China) Company Limited ("HSBC China")	567,310,739	A1	Moody's
As at 31 December 2016			
<u>Banks</u>			
The Hong Kong and Shanghai Banking Corporation Limited ("HSBC")	84,824	Aa2	Moody's
HSBC Bank (China) Company Limited ("HSBC China")	2,249,119	A1	Moody's
<u>PRC Custodian</u>			
HSBC Bank (China) Company Limited ("HSBC China")	228,670,555	A1	Moody's

The Sub-Fund's maximum exposure to credit risk as at 31 December 2017 and 2016 is the carrying amount of the financial assets as shown on the statement of financial position.

The Manager considers that none of these assets were impaired nor past due at the end of the reporting period.

(c) Liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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

Risk management (continued)

(c) Liquidity risk (continued)

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

Financial assets

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

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When 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.

	Less than 1 month RMB	1 to 12 months RMB	Total RMB
As at 31 December 2017			
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	563,161,571	4,149,168	567,310,739
Financial assets included in prepayments and other receivables	-	2,932	2,932
Deposit reserve – China Exchange Clearing	-	380,800	380,800
Cash and bank balances	33,820,222	-	33,820,222
Total	<u>596,981,793</u>	<u>4,532,900</u>	<u>601,514,693</u>
<u>Financial liabilities</u>			
Amounts due to a participating dealer	18,246,711	-	18,246,711
Amounts due to a broker	2,382,111	-	2,382,111
Management fee payable	178,888	-	178,888
Trustee fee payable	44,914	-	44,914
Other payables and accruals	627,583	236,672	864,255
Total	<u>21,480,207</u>	<u>236,672</u>	<u>21,716,879</u>



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

Risk management (continued)

(c) Liquidity risk (continued)

As at 31 December 2016	Less than 1 month RMB	1 to 12 months RMB	Total RMB
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	226,195,335	2,475,220	228,670,555
Financial assets included in prepayments and other receivables	-	359	359
Deposit reserve – China Exchange Clearing	-	380,800	380,800
Cash and bank balances	2,333,943	-	2,333,943
Total	<u>228,529,278</u>	<u>2,856,379</u>	<u>231,385,657</u>
<u>Financial liabilities</u>			
Management fee payable	116,455	-	116,455
Trustee fee payable	38,993	-	38,993
Other payables and accruals	414,344	153,312	567,656
Total	<u>569,792</u>	<u>153,312</u>	<u>723,104</u>

Capital management

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

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

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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

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

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

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

16. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issued by the Trustee and the Manager on

30 APR 2018

HAITONG CSI300 INDEX ETF  
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INVESTMENT PORTFOLIO (unaudited)

As at 31 December 2017

	Holdings	Fair value RMB	% of Net Assets
<b>Listed equities</b>			
<b><u>China</u></b>			
AECC Aero-Engine Controls Co Ltd (Formerly known as AVIC Aero-Engine Controls Co Ltd)	22,800	348,612	0.06
AECC Aviation Power Co Ltd (Formerly known as AVIC Aviation Engine Corporation Plc)	44,959	1,209,847	0.21
Agricultural Bank of China Ltd	1,869,100	7,158,653	1.24
Aier Eye Hospital Group Co Ltd	29,400	905,520	0.16
Air China Ltd	96,200	1,185,184	0.20
Aisino Co Ltd	54,634	1,176,816	0.20
Alpha Group	24,898	355,792	0.06
Aluminum Corporation of China Ltd	116,100	939,249	0.16
Angang Steel Co Ltd	91,400	580,390	0.10
Anhui Conch Cement Co Ltd	96,504	2,830,462	0.49
Anxin Trust Co Ltd	88,100	1,152,348	0.20
Aurora Optoelectronics Co Ltd	14,400	250,560	0.04
AVIC Aircraft Co Ltd	68,600	1,158,654	0.20
AVIC Helicopter Co Ltd	10,300	479,259	0.08
AVIC Investment Holdings Co Ltd	219,300	1,210,536	0.21
Baiyin Nonferrous Group Co Ltd	38,000	256,880	0.04
Bank of Beijing Co Ltd	713,106	5,098,708	0.88
Bank of China Ltd	1,031,100	4,093,467	0.71
Bank of Communications Co Ltd	1,341,400	8,330,094	1.44
Bank of Guiyang Co Ltd	68,400	913,824	0.16
Bank of Hangzhou Co Ltd	21,000	242,130	0.04
Bank of Jiangsu Co Ltd	337,900	2,483,565	0.43
Bank of Nanjing Co Ltd	249,266	1,929,319	0.33
Bank of Ningbo Co Ltd	124,353	2,214,727	0.38
Bank of Shanghai Co Ltd	41,010	581,522	0.10
Baoshan Iron & Steel Co Ltd	431,548	3,728,575	0.64
BBMG Corporation Ltd	163,500	887,805	0.15
Beijing Capital Co Ltd	117,700	604,978	0.10
Beijing Capital Development Co Ltd	62,900	584,341	0.10
Beijing Dabeinong Technology Group Co Ltd	100,700	610,242	0.11
Beijing Enlight Media Co Ltd	41,760	436,392	0.08
Beijing Orient Landscape and Environment Co Ltd	64,600	1,302,982	0.23
Beijing Origin Water Technology Co Ltd	92,606	1,608,566	0.28
Beijing Sanju Environmental Protection & New Materials Co Ltd	45,150	1,586,119	0.27
Beijing Shiji Information Technology Co Ltd	15,600	415,896	0.07
Beijing Shougang Co Ltd	77,800	465,244	0.08
Beijing Tongrentang Co Ltd	25,719	829,181	0.14
Beijing Xinwei Telecom Technology Group Co Ltd	36,200	528,158	0.09
BOE Technology Group Co Ltd	1,158,480	6,707,599	1.16
Bohai Financial Investment Holding Co Ltd	91,800	528,768	0.09
BYD Co Ltd	45,206	2,940,650	0.51
Central China Securities Co Ltd	39,200	241,864	0.04

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INVESTMENT PORTFOLIO (unaudited) (continued)

As at 31 December 2017

	Holdings	Fair value RMB	% of Net Assets
<b>Listed equities (continued)</b>			
<b><u>China (continued)</u></b>			
Changjiang Securities Co Ltd	188,748	1,485,447	0.26
China Avionics Systems Co Ltd	25,044	342,852	0.06
China CITIC Bank Corporation Ltd	149,438	926,516	0.16
China Coal Energy Co Ltd	88,300	505,076	0.09
China Communications Construction Co Ltd	75,800	970,240	0.17
China Construction Bank Corporation	328,400	2,522,112	0.44
China CSSC Holdings Ltd	12,148	299,691	0.05
China Dongfanghong Spacesat Co Ltd	29,701	749,950	0.13
China Eastern Airlines Corporation Ltd	190,500	1,564,005	0.27
China Everbright Bank Co Ltd	777,200	3,147,660	0.54
China Film Co Ltd	37,329	574,867	0.10
China Fortune Land Development Co Ltd	56,766	1,781,885	0.31
China Galaxy Securities Co Ltd	31,400	330,014	0.06
China Grand Automotive Services Co Ltd	109,040	874,501	0.15
China Hainan Rubber Industry Group Co Ltd	77,300	429,015	0.07
China High-Speed Railway Technology Co Ltd	83,800	733,250	0.13
China International Travel Service Corporation Ltd	47,444	2,058,595	0.36
China Life Insurance Co Ltd	80,353	2,446,749	0.42
China Merchants Bank Co Ltd	503,084	14,599,498	2.52
China Merchants Energy Shipping Co Ltd	103,000	452,170	0.08
China Merchants Securities Co Ltd	111,100	1,906,476	0.33
China Merchants Shekou Industrial Zone Co Ltd	116,412	2,277,019	0.39
China Minsheng Banking Co Ltd	1,156,438	9,702,515	1.67
China Molybdenum Co Ltd	130,733	899,443	0.16
China National Chemical Engineering Co Ltd	95,600	645,300	0.11
China National Nuclear Power Co Ltd	227,800	1,674,330	0.29
China Northern Rare Earth (Group) High-Tech Co Ltd	107,550	1,569,154	0.27
China Nuclear Engineering Group Co Ltd	38,700	397,449	0.07
China Pacific Insurance Group Co Ltd	154,565	6,402,082	1.10
China Petroleum & Chemical Corporation	514,700	3,155,111	0.54
China Railway Group Ltd	273,500	2,294,665	0.40
China Railways Construction Corporation	225,600	2,513,184	0.43
China Shenhua Energy Co Ltd	95,813	2,219,987	0.38
China Shipbuilding Industry Co Ltd	461,752	2,784,365	0.48
China Shipbuilding Industry Group Power Co Ltd	41,300	1,024,653	0.18
China Southern Airlines Co Ltd	171,800	2,047,856	0.35
China State Construction Engineering Corporation Ltd	734,000	6,620,680	1.14
China United Network Communications Ltd	444,223	2,811,932	0.49
China Vanke Co Ltd	236,716	7,352,399	1.27
China Yangtze Power Co Ltd	322,000	5,019,980	0.87
Chinese Universe Publishing & Media Co Ltd	25,800	436,794	0.08
Chongqing Changan Automobile Co Ltd	94,900	1,195,740	0.21
Chongqing Zhifei Biological Products Co Ltd	23,500	659,645	0.11

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

INVESTMENT PORTFOLIO (unaudited) (continued)

As at 31 December 2017

	Holdings	Fair value RMB	% of Net Assets
<b>Listed equities (continued)</b>			
<b><u>China (continued)</u></b>			
CITIC Guoan Information Industry Co Ltd	133,800	1,283,142	0.22
CITIC Heavy Industries Co Ltd	85,300	351,436	0.06
CITIC Securities Co Ltd	384,256	6,955,034	1.20
COSCO SHIPPING Development Co Ltd	155,600	530,596	0.09
COSCO SHIPPING Holdings Co Ltd	187,000	1,265,990	0.22
CRRC Corporation Ltd	357,770	4,332,595	0.75
CSSC Offshore and Marine Engineering (Group) Co Ltd	5,800	154,628	0.03
Dalian Dayang Trands Co Ltd	16,300	273,025	0.05
Daqin Railway Co Ltd	290,348	2,633,456	0.45
Datang International Power Generation Co Ltd	147,300	611,295	0.11
DHC Software Co Ltd	92,704	760,173	0.13
Dongxing Securities Co Ltd	54,200	780,480	0.13
Dongxu Optoelectronic Technology Co Ltd	197,524	1,852,775	0.32
Dr Peng Telecom & Media Group Co Ltd	70,200	1,195,506	0.21
East Money Information Co Ltd	147,392	1,908,726	0.33
Everbright Securities Co Ltd	95,000	1,275,850	0.22
Fiberhome Telecommunication Technologies Co Ltd	26,000	749,580	0.13
Finance Street Holding Co Ltd	57,200	635,492	0.11
First Capital Securities Company Ltd	102,400	1,003,520	0.17
Focus Media Information Technology Co Ltd	240,280	3,383,142	0.58
Founder Securities Co Ltd	201,900	1,391,091	0.24
Future Land Holdings Co Ltd	45,100	1,321,430	0.23
Fuyao Glass Industry Group Co Ltd	69,188	2,006,452	0.35
GD Power Development Co Ltd	577,200	1,800,864	0.31
Gemdale Corporation	110,100	1,390,563	0.24
Gezhouba Group Co Ltd	134,400	1,102,080	0.19
GF Securities Co Ltd	143,413	2,392,129	0.41
Giant Network Group Co Ltd	30,220	1,112,096	0.19
GoerTek Inc	94,800	1,644,780	0.28
Great Wall Motor Co Ltd	60,100	690,549	0.12
Gree Electric Appliances Inc of Zhuhai	235,114	10,274,482	1.77
Greenland Holdings Corporation Ltd	178,930	1,306,189	0.23
Guangshen Railway Co Ltd	165,299	920,715	0.16
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	9,977	320,661	0.06
Guangzhou Haige Communication Group	78,706	754,791	0.13
Guangzhou Port Co Ltd	37,300	227,903	0.04
Guangzhou Shiyuan Electronic Technology Co Ltd	1,300	94,250	0.02
Guizhou Bailing Group Pharmaceutical Co Ltd	21,630	333,102	0.06
Guosen Securities Co Ltd	119,300	1,294,405	0.22
Guotai Junan Securities Co Ltd	182,500	3,379,900	0.58
Guoxuan High-Tech Co Ltd	32,700	727,902	0.13
Guoyuan Securities Co Ltd	99,701	1,096,711	0.19

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

INVESTMENT PORTFOLIO (unaudited) (continued)

As at 31 December 2017

	Holdings	Fair value RMB	% of Net Assets
<b>Listed equities (continued)</b>			
<b><u>China (continued)</u></b>			
Hainan Airlines Holding Co Ltd	562,700	1,795,013	0.31
Haitong Securities Co Ltd	396,747	5,106,134	0.88
Hangzhou Hikvision Digital Technology Co Ltd	180,314	7,032,246	1.21
Hangzhou Robam Appliances Co Ltd	23,300	1,120,730	0.19
Han's Laser Technology Industry Group Co Ltd	40,841	2,017,545	0.35
Henan Shuanghui Investment & Development Co Ltd	47,958	1,270,887	0.22
Hesteel Company Ltd	208,800	814,320	0.14
Hithink Flush Information Network Co Ltd	9,600	479,808	0.08
Hua Xia Bank Co Ltd	313,276	2,819,484	0.49
Huaan Securities Co Ltd	53,700	390,399	0.07
Huadong Medicine Co Ltd	23,694	1,276,633	0.22
Hualan Biological Engineering Inc	26,060	700,493	0.12
Huaneng Power International Inc	204,700	1,262,999	0.22
Huatai Securities Co Ltd	158,581	2,737,108	0.47
Huayi Brothers Media Corporation	80,374	701,665	0.12
HUAYU Automotive Systems Co Ltd	77,438	2,299,134	0.40
Hubei Biocause Pharmaceutical Co Ltd	71,800	574,400	0.10
Hundsun Electronic Co Ltd	23,950	1,111,280	0.19
iFLYTEK Co Ltd	47,376	2,801,817	0.48
Industrial and Commercial Bank of China Ltd	1,055,000	6,541,000	1.13
Industrial Bank Co Ltd	609,612	10,357,308	1.79
Industrial Securities Co Ltd	226,860	1,651,541	0.29
Inner Mongolia Junzheng Energy & Chemical Industry Co Ltd	110,116	518,646	0.09
Inner Mongolia Yili Industrial Group Co Ltd	297,240	9,568,156	1.65
Inner Mongolian BaoTou Steel Union Co Ltd	667,320	1,641,607	0.28
Jiangsu Broadcasting Cable Information Network Corporation Ltd	76,720	627,570	0.11
Jiangsu Hengrui Medicine Co Ltd	83,653	5,770,384	1.00
Jiangsu Jiujiajiu Technology Co Ltd	15,200	405,384	0.07
Jiangsu Protruly Vision Technology Group Co Ltd	17,200	169,764	0.03
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	29,937	3,442,755	0.59
Jiangsu Zhangjiagang Rural Commercial Bank Co Ltd	9,100	106,652	0.02
Jiangsu Zhongnan Construction Group Co Ltd	91,700	587,797	0.10
Jiangsu Zhongtian Technologies Co Ltd	103,900	1,448,366	0.25
Jiangxi Copper Co Ltd	49,490	998,213	0.17
Jiangxi Ganfeng Lithium Co Ltd	24,500	1,757,875	0.30
Jihua Group Corporation Ltd	63,800	429,374	0.07
Jilin Aodong Medicine Industry Groups Co Ltd	45,935	1,033,538	0.18
Jinduicheng Molybdenum Co Ltd	47,167	341,017	0.06
Kangde Xin Composite Material Group Co Ltd	102,907	2,284,535	0.39
Kangmei Pharmaceutical Co Ltd	146,246	3,270,061	0.56
Kweichow Moutai Co Ltd	24,277	16,932,965	2.92
Lepu Medical Technology	53,100	1,282,896	0.22

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

INVESTMENT PORTFOLIO (unaudited) (continued)

As at 31 December 2017

	Holdings	Fair value RMB	% of Net Assets
<b>Listed equities (continued)</b>			
<b><u>China (continued)</u></b>			
Leshi Internet Information & Technology (Beijing) Co Ltd	46,200	708,246	0.12
Liaoning Cheng Da Co Ltd	60,757	1,069,323	0.18
Lomon Billions Group Co Ltd	30,300	485,406	0.08
LONGi Green Energy Technology Co Ltd	68,901	2,510,752	0.43
Luxshare Precision InduStry Co Ltd	77,831	1,824,359	0.31
Luzhou Laojiao Co Ltd	36,933	2,437,578	0.42
Material Industry Zhongda Group Co Ltd	84,870	578,813	0.10
Meinian Onehealth Healthcare Holdings Co Ltd	49,600	1,084,752	0.19
Metallurgical Corporation of China Ltd	260,600	1,261,304	0.22
Midea Group Co Ltd	221,090	12,255,019	2.11
Minmetals Capital Co Ltd	16,200	191,160	0.03
Muyuan Foodstuff Co Ltd	16,500	872,190	0.15
NARI Technology Development Co Ltd	81,367	1,487,389	0.26
New China Life Insurance Co Ltd	40,232	2,824,286	0.49
New Hope Liuhe Co Ltd	102,600	764,370	0.13
Ningbo Zhoushan Port Co Ltd	194,000	1,030,140	0.18
Ninjing Xinjiekou Department Store Co Ltd	21,500	812,485	0.14
Northeast Securities Co Ltd	69,212	606,989	0.11
Offshore Oil Engineering Co Ltd	108,600	667,890	0.12
O-Film Tech Co Ltd	93,272	1,920,470	0.33
OPPEIN Home Group Inc	1,400	165,270	0.03
Orient Securities Co Ltd	151,000	2,092,860	0.36
Ourpalm Co Ltd	108,400	602,704	0.10
Pacific Security Co Ltd	334,300	1,210,166	0.21
Perfect World Co Ltd	18,100	605,626	0.10
PetroChina Co Ltd	315,434	2,551,861	0.44
Ping An Bank Co Ltd	420,576	5,593,661	0.96
Ping An Insurance (Group) Co of China Ltd	530,392	37,116,832	6.40
Poly Real Estate Group Co Ltd	346,600	4,904,390	0.85
Power Construction Corporation of China	225,200	1,625,944	0.28
Qingdao Haier Co Ltd	148,946	2,806,143	0.48
Qinghai Salt Lake Potash Co Ltd	67,400	937,534	0.16
Risesun Real Estate Development Co Ltd	85,334	813,233	0.14
S F Holding Co Ltd	9,800	493,528	0.09
SAIC Motor Corporation Ltd	171,585	5,497,583	0.95
Sanan Optoelectronics Co Ltd	118,848	3,017,551	0.52
Sanity Marine Corp Ltd	31,600	321,056	0.06
Sany Heavy Industry Co Ltd	225,332	2,043,761	0.35
SDIC Capital Co Ltd	40,600	535,108	0.09
SDIC Power Holdings Co Ltd	197,920	1,452,733	0.25

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

INVESTMENT PORTFOLIO (unaudited) (continued)

As at 31 December 2017

	Holdings	Fair value RMB	% of Net Assets
<b>Listed equities (continued)</b>			
<b><u>China (continued)</u></b>			
Sealand Securities Co Ltd	143,110	701,239	0.12
Searainbow Holding Corporation	33,900	1,463,124	0.25
Shaanxi Coal Industry Co Ltd	195,600	1,596,096	0.28
Shandong Buchang Pharmaceuticals Co Ltd	2,400	122,064	0.02
Shandong Dong-E E-Jiao Co Ltd	24,896	1,500,482	0.26
Shandong Gold Mining Co Ltd	37,225	1,160,676	0.20
Shandong Kingenta Ecological Engineering Co Ltd	27,700	253,455	0.04
Shandong Linglong Tyre Co Ltd	23,500	410,310	0.07
Shandong Nanshan Aluminum Co Ltd	272,200	1,001,696	0.17
Shanghai Bailian Group Co Ltd	39,200	528,808	0.09
Shanghai Construction Co Ltd	218,136	811,466	0.14
Shanghai Electric Group Co Ltd	172,300	1,152,687	0.20
Shanghai Electric Power Co Ltd	43,500	397,590	0.07
Shanghai Fosun Pharmaceutical (Group) Co Ltd	48,372	2,152,554	0.37
Shanghai International Airport Co Ltd	47,028	2,116,730	0.37
Shanghai International Port Group Co Ltd	147,720	982,338	0.17
Shanghai Lujiazui Finance & Trade Zone Development Co Ltd	36,956	703,273	0.12
Shanghai Pharmaceutical Co Ltd	55,864	1,351,350	0.23
Shanghai Pudong Development Bank Co Ltd	573,037	7,214,536	1.24
Shanghai RAAS Blood Products Co Ltd	72,058	1,430,351	0.25
Shanghai SMI Holding Co Ltd	62,110	546,568	0.09
Shanghai Tunnel Engineering Co Ltd	92,800	775,808	0.13
Shanghai Wangsu Science & Technology Co Ltd	70,574	750,907	0.13
Shanghai Zhangjiang Hi-Tech Park Development Co Ltd	38,300	547,690	0.09
Shanxi Meijin Energy Co Ltd	61,000	420,290	0.07
Shanxi Securities Co Ltd	84,000	774,480	0.13
Shanxi Xishan Coal & Electricity Power Co Ltd	77,400	784,836	0.14
Shenwan Hongyuan Group Co Ltd	295,168	1,585,052	0.27
Shenzhen Huiding Technology Co Ltd	1,500	145,410	0.03
Shenzhen Inovance Technology Co Ltd	48,198	1,398,706	0.24
Shenzhen Oriental Pearl Media Co Ltd (Formerly known as Oriental Pearl Media Co Ltd)	63,880	1,064,241	0.18
Shenzhen Overseas Chinese Town Co Ltd	159,098	1,350,742	0.23
Shenzhen Salubris Pharmaceuticals Co Ltd	21,492	971,223	0.17
Shenzhen Sunway Communication Co Ltd	38,700	1,962,090	0.34
Shenzhen YUTO Packaging Technology Co Ltd	1,400	78,232	0.01
Shenzhen Zhongjin Lingnan Nonfemet Co Ltd	80,390	897,956	0.16
Siasun Robot & Automation Co Ltd	53,820	1,012,892	0.17
Sichuan Chuantou Energy Co Ltd	108,200	1,101,476	0.19
Sinolink Securities Co Ltd	102,886	981,532	0.17
Sinopec Oilfield Service Corporation	87,600	233,892	0.04
Sinopec Shanghai Petrochemical Co Ltd	71,200	450,696	0.08
Songcheng Performance Development Co Ltd	36,700	684,822	0.12
Soochow Security Co Ltd	117,366	1,140,798	0.20



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

INVESTMENT PORTFOLIO (unaudited) (continued)

As at 31 December 2017

	Holdings	Fair value RMB	% of Net Assets
<b>Listed equities (continued)</b>			
<b><u>China (continued)</u></b>			
Soufeiya Home Collection Co Ltd	25,900	953,120	0.16
Southwest Securities Co Ltd	138,890	643,061	0.11
Spring Airlines Co Ltd	10,400	387,608	0.07
STO Express Co Ltd	15,200	375,288	0.06
Suning Commerce Group Co Ltd	181,400	2,229,406	0.38
Sunshine City Group Co Ltd	78,900	620,943	0.11
Suzhou Gold Mantis Constructions	77,787	1,191,697	0.21
Suzhou Victory Precision Manufacture Co Ltd	100,800	587,664	0.10
Tasly Pharmaceutical Group Co Ltd	31,524	1,121,624	0.19
TBEA Co Ltd	181,137	1,795,068	0.31
TCL Corporation	411,700	1,605,630	0.28
Tianjin Zhonghuan Semiconductor Co Ltd	41,160	472,928	0.08
Tianqi Lithium Industries Inc	33,200	1,766,572	0.30
Tongling Nonferrous Metals Group Co Ltd	307,500	897,900	0.16
Triangle Tyre Co Ltd	10,400	211,952	0.04
Tsinghua Tongfang Co Ltd	86,600	848,680	0.15
Tsinghua Unisplendour Co Ltd	7,400	533,022	0.09
Tus-Sound Environmental Resources Co Ltd	24,519	809,617	0.14
Wanda Film Holding Co Ltd (Formerly known as Wanda Cinema Line Co Ltd)	8,300	431,932	0.07
WanHua Chemical Group Co Ltd	46,647	1,769,787	0.31
Wanxiang Qianchao Co Ltd	68,352	693,773	0.12
Weichai Power Co Ltd	236,048	1,968,640	0.34
Western Securities Co Ltd	85,752	1,056,465	0.18
Wintime Energy Co Ltd	84,540	284,054	0.05
Wuhu Shunrong Sanqi Interactive Entertainment Network Technology Co Ltd	15,700	322,478	0.06
Wuliangye Yibin Co Ltd	93,179	7,443,139	1.28
XCMG Construction Machinery Co Ltd	204,800	948,224	0.16
Xiamen C&D Inc	69,658	774,597	0.13
Xiamen Tungsten Co Ltd	22,000	566,280	0.10
Xinhu Zhongbao Co Ltd	210,500	1,098,810	0.19
Xinjiang Goldwind Science & Technology Co Ltd	100,160	1,888,016	0.33
Yanzhou Coal Mining Co Ltd	17,799	258,441	0.04
Yonghui Superstores Co Ltd	192,524	1,944,492	0.34
Yonyou Network Technology Co Ltd	36,924	780,943	0.13
Youngor Group Co Ltd	123,407	1,131,642	0.20
Youzu Interactive Co Ltd	21,900	488,370	0.08
Yunnan Baiyao Group Co Ltd	24,843	2,528,769	0.44
Zhangzhou Pientzhuang Pharmaceutical Co Ltd	15,056	951,539	0.16
Zhejiang Century Huatong Group Co Ltd	15,300	519,894	0.09
Zhejiang China Commodities City Group Co Ltd	133,000	768,740	0.13
Zhejiang CHINT Electrics Co Ltd	21,800	570,070	0.10
Zhejiang Dahua Technology Co Ltd	85,410	1,972,117	0.34

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

INVESTMENT PORTFOLIO (unaudited) (continued)

As at 31 December 2017

	Holdings	Fair value RMB	% of Net Assets
<b>Listed equities (continued)</b>			
<b><u>China (continued)</u></b>			
Zhejiang Huayou Cobalt Co Ltd	14,900	1,195,427	0.21
Zhejiang Longsheng Group Co Ltd	110,766	1,297,070	0.22
Zhejiang Zheneng Electric	198,160	1,056,193	0.18
Zhengzhou Yutong Bus Co Ltd	64,201	1,545,318	0.27
Zheshang Securities Co Ltd	17,200	285,864	0.05
Zhongjin Gold Co Ltd	84,911	839,770	0.15
Zhongtian Financial Group Co Ltd	49,800	366,030	0.06
Zijin Mining Group Co Ltd	507,700	2,330,343	0.40
Zhongtian Financial Group Co Ltd (Formerly known as Zhongtian Urban Development Group Co Ltd)	212,669	950,630	0.16
ZTE Corporation	116,671	4,242,158	0.73
Total investments, at fair value		<u>567,310,739</u>	<u>97.84</u>
Total investments, at cost		<u>516,504,903</u>	

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

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited)

31 December 2017

	At 1 January 2017	Additions	Disposals	Corporate actions	At 31 December 2017
<b>Listed equities</b>					
<b>China</b>					
AECC Aero-Engine Controls Co Ltd (Formerly known as AVIC Aero- Engine Controls Co Ltd)	11,300	15,600	(4,100)	-	22,800
AECC Aviation Power Co Ltd (Formerly known as AVIC Aviation Engine Corporation Plc)	19,259	34,100	(8,400)	-	44,959
Agricultural Bank of China Ltd	952,800	1,258,400	(342,100)	-	1,869,100
Aier Eye Hospital Group Co Ltd	9,947	29,400	(13,720)	3,773	29,400
Air China Ltd	63,300	65,000	(32,100)	-	96,200
Aisino Co Ltd	27,434	36,400	(9,200)	-	54,634
Alpha Group	12,998	16,000	(4,100)	-	24,898
Aluminum Corporation of China Ltd	162,800	-	(46,700)	-	116,100
Angang Steel Co Ltd	-	91,400	-	-	91,400
Anhui Conch Cement Co Ltd	49,504	65,000	(18,000)	-	96,504
Anxin Trust Co Ltd	21,900	59,800	(15,800)	22,200	88,100
Aurora Optoelectronics Co Ltd	11,400	-	(2,400)	5,400	14,400
AVIC Aircraft Co Ltd	34,300	46,800	(12,500)	-	68,600
AVIC Helicopter Co Ltd	5,800	8,200	(3,700)	-	10,300
AVIC Investment Holdings Co Ltd	111,100	148,200	(40,000)	-	219,300
Baiyin Nonferrous Group Co Ltd	-	38,000	-	-	38,000
Bank of Beijing Co Ltd	303,238	481,000	(114,100)	42,968	713,106
Bank of China Ltd	521,700	694,200	(184,800)	-	1,031,100
Bank of Communications Co Ltd	684,900	902,200	(245,700)	-	1,341,400
Bank of Guiyang Co Ltd	-	68,800	(400)	-	68,400
Bank of Hangzhou Co Ltd	-	22,700	(1,700)	-	21,000
Bank of Jiangsu Co Ltd	-	338,700	(800)	-	337,900
Bank of Nanjing Co Ltd	89,990	169,000	(35,400)	25,676	249,266
Bank of Ningbo Co Ltd	48,216	83,112	(17,300)	10,325	124,353
Bank of Shanghai Co Ltd	-	40,300	(2,800)	3,510	41,010
Baoshan Iron & Steel Co Ltd	122,200	375,048	(65,700)	-	431,548
BBMG Corporation Ltd	-	168,100	(4,600)	-	163,500
Beijing Capital Co Ltd	59,700	78,000	(20,000)	-	117,700
Beijing Capital Development Co Ltd	25,500	45,400	(8,000)	-	62,900
Beijing Dabeinong Technology Group Co Ltd	50,700	67,600	(17,600)	-	100,700
Beijing Enlight Media Co Ltd	21,760	28,600	(8,600)	-	41,760
Beijing Gehua CATV Networks Co Ltd	17,212	10,500	(27,712)	-	-
Beijing Jetson Technology Co Ltd	25,400	-	(25,400)	-	-
Beijing Orient Landscape and Environment Co Ltd	26,500	46,400	(8,300)	-	64,600
Beijing Origin Water Technology Co Ltd	46,406	62,400	(16,200)	-	92,606
Beijing Sanju Environmental Protection & New Materials Co Ltd	14,700	31,200	(6,500)	5,750	45,150
Beijing Shiji Information Technology Co Ltd	7,900	10,400	(2,700)	-	15,600

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

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited) (continued)

31 December 2017

	At 1 January 2017	Additions	Disposals	Corporate actions	At 31 December 2017
<b>Listed equities (continued)</b>					
<b>China (continued)</b>					
Beijing Shougang Co Ltd	-	80,000	(2,200)	-	77,800
Beijing Tongrentang Co Ltd	13,619	18,300	(6,200)	-	25,719
Beijing Ultrapower Software Co Ltd	34,000	-	(34,000)	-	-
Beijing Xinwei Telecom Technology Group Co Ltd	36,200	-	-	-	36,200
BlueFocus Communication Group Co Ltd	34,645	-	(34,645)	-	-
BOE Technology Group Co Ltd	588,280	780,000	(209,800)	-	1,158,480
Bohai Financial Investment Holding Co Ltd	42,100	65,100	(15,400)	-	91,800
BYD Co Ltd	13,506	36,000	(4,300)	-	45,206
Central China Securities Co Ltd	-	40,200	(1,000)	-	39,200
Changjiang Securities Co Ltd	82,148	132,300	(25,700)	-	188,748
China Avionics Systems Co Ltd	13,044	16,000	(4,000)	-	25,044
China Avionics Systems Co Ltd Nil Paid Rights 25/12/2017	-	-	(24,000)	24,000	-
China Baoan Group Co Ltd	53,214	36,400	(89,614)	-	-
China CITIC Bank Corporation Ltd	75,838	101,400	(27,800)	-	149,438
China Coal Energy Co Ltd	-	88,300	-	-	88,300
China Communications Construction Co Ltd	37,800	52,000	(14,000)	-	75,800
China Construction Bank Corporation	166,200	221,000	(58,800)	-	328,400
China CSSC Holdings Ltd	17,048	100	(5,000)	-	12,148
China Dongfanghong Spacesat Co Ltd	14,601	20,800	(5,700)	-	29,701
China Eastern Airlines Corporation Ltd	72,800	140,400	(22,700)	-	190,500
China Everbright Bank Co Ltd	394,100	522,600	(139,500)	-	777,200
China Film Co Ltd	-	37,729	(400)	-	37,329
China Fortune Land Development Co Ltd	21,900	43,966	(9,100)	-	56,766
China Galaxy Securities Co Ltd	-	32,200	(800)	-	31,400
China Grand Automotive Services Co Ltd	40,800	75,400	(16,100)	8,940	109,040
China Hainan Rubber Industry Group Co Ltd	29,200	58,600	(10,500)	-	77,300
China High-Speed Railway Technology Co Ltd	20,500	71,500	(8,200)	-	83,800
China International Marine Containers (Group) Co Ltd	18,705	-	(18,705)	-	-
China International Travel Service Corporation Ltd	12,122	31,200	(4,500)	8,622	47,444
China Life Insurance Co Ltd	41,253	54,600	(15,500)	-	80,353
China Media Group (formerly known as Huawei Media Investment Group Corporation)	49,900	33,800	(83,700)	-	-
China Merchants Bank Co Ltd	257,084	339,700	(93,700)	-	503,084

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited) (continued)

31 December 2017

	At 1 January 2017	Additions	Disposals	Corporate actions	At 31 December 2017
<b>Listed equities (continued)</b>					
<b>China (continued)</b>					
China Merchants Energy Shipping Co Ltd	52,500	70,200	(19,700)	-	103,000
China Merchants Securities Co Ltd	56,600	75,400	(20,900)	-	111,100
China Merchants Shekou Industrial Zone Co Ltd	58,712	78,000	(20,300)	-	116,412
China Minsheng Banking Co Ltd	589,238	777,400	(210,200)	-	1,156,438
China Molybdenum Co Ltd	96,233	88,400	(53,900)	-	130,733
China National Chemical Engineering Co Ltd	-	99,800	(4,200)	-	95,600
China National Nuclear Power Co Ltd	115,600	153,400	(41,200)	-	227,800
China Northern Rare Earth (Group) High-Tech Co Ltd	53,950	72,800	(19,200)	-	107,550
China Nuclear Engineering Group Co Ltd	13,000	29,700	(4,000)	-	38,700
China Pacific Insurance Group Co Ltd	78,365	104,000	(27,800)	-	154,565
China Petroleum & Chemical Corporation	260,200	345,800	(91,300)	-	514,700
China Railway Group Ltd	184,500	215,800	(126,800)	-	273,500
China Railways Construction Corporation	113,900	150,800	(39,100)	-	225,600
China Security & Fire Co Ltd	19,100	-	(19,100)	-	-
China Shenhua Energy Co Ltd	49,013	65,000	(18,200)	-	95,813
China Shipbuilding Industry Co Ltd	227,252	309,000	(74,500)	-	461,752
China Shipbuilding Industry Group Power Co Ltd	8,600	35,400	(2,700)	-	41,300
China Southern Airlines Co Ltd	86,900	114,400	(29,500)	-	171,800
China State Construction Engineering Corporation Ltd	373,900	494,000	(133,900)	-	734,000
China United Network Communications Ltd	209,823	299,000	(64,600)	-	444,223
China Vanke Co Ltd	169,716	194,200	(127,200)	-	236,716
China Yangtze Power Co Ltd	164,500	215,800	(58,300)	-	322,000
Chinese Universe Publishing & Media Co Ltd	13,600	18,300	(6,100)	-	25,800
Chongqing Changan Automobile Co Ltd	48,300	62,400	(15,800)	-	94,900
Chongqing Sokon Industry Group Co Ltd	-	6,800	(6,800)	-	-
Chongqing Sokon Nil Paid Rights 06/11/2017	-	-	(5,000)	5,000	-
Chongqing Zhifei Biological Products Co Ltd	-	23,500	-	-	23,500
CITIC Guoan Information Industry Co Ltd	67,900	91,000	(25,100)	-	133,800

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited) (continued)

31 December 2017

	At 1 January 2017	Additions	Disposals	Corporate actions	At 31 December 2017
<b>Listed equities (continued)</b>					
<b>China (continued)</b>					
CITIC Heavy Industries Co Ltd	32,200	61,400	(8,300)	-	85,300
CITIC Securities Co Ltd	196,156	257,400	(69,300)	-	384,256
COFCO Tunhe Sugar Co Ltd (formerly known as COFCO Tunhe Co Ltd)	25,400	18,200	(43,600)	-	-
COSCO SHIPPING Development Co Ltd	78,500	104,000	(26,900)	-	155,600
COSCO SHIPPING Holdings Co Ltd	94,500	124,800	(32,300)	-	187,000
CRRC Corporation Ltd	227,470	291,300	(161,000)	-	357,770
CSSC Offshore and Marine Engineering (Group) Co Ltd	8,100	-	(2,300)	-	5,800
Dalian Dayang Trands Co Ltd	-	16,500	(200)	-	16,300
Daqin Railway Co Ltd	147,148	195,000	(51,800)	-	290,348
Datang International Power Generation Co Ltd	-	147,300	-	-	147,300
DHC Software Co Ltd	23,302	62,400	(9,600)	16,602	92,704
Digital China Information Service Co Ltd	6,800	300	(7,100)	-	-
Dongfang Electric Corporation Ltd	30,900	-	(30,900)	-	-
Dongxing Securities Co Ltd	27,300	36,400	(9,500)	-	54,200
Dongxu Optoelectronic Technology Co Ltd	46,424	165,300	(14,200)	-	197,524
Dr Peng Telecom & Media Group Co Ltd	28,000	50,900	(8,700)	-	70,200
East Money Information Co Ltd	52,860	103,500	(17,300)	8,332	147,392
East Money Information Co Ltd Nil Paid Rights 20/12/2017	-	-	(106,200)	106,200	-
Eternal Asia Supply Chain Management Ltd	36,394	26,000	(62,394)	-	-
Everbright Securities Co Ltd	48,300	65,000	(18,300)	-	95,000
FAW Car Co Ltd	20,110	-	(20,110)	-	-
Fiberhome Telecommunication Technologies Co Ltd	12,900	18,200	(5,100)	-	26,000
Finance Street Holding Co Ltd	29,600	39,000	(11,400)	-	57,200
First Capital Securities Company Ltd	6,000	96,200	(2,200)	2,400	102,400
Focus Media Information Technology Co Ltd	15,100	221,640	(5,100)	8,640	240,280
Founder Securities Co Ltd	101,900	135,200	(35,200)	-	201,900
Fujian Sunner Development Co Ltd	11,000	7,800	(18,800)	-	-
Future Land Holdings Co Ltd	22,400	31,200	(8,500)	-	45,100
Fuyao Glass Industry Group Co Ltd	34,688	46,800	(12,300)	-	69,188
GD Power Development Co Ltd	291,800	390,000	(104,600)	-	577,200
Gemdale Corporation	55,700	72,800	(18,400)	-	110,100
Gezhouba Group Co Ltd	68,400	91,000	(25,000)	-	134,400
GF Securities Co Ltd	73,211	96,102	(25,900)	-	143,413
Giant Network Group Co Ltd	-	29,700	(200)	720	30,220

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited) (continued)

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	At 1 January 2017	Additions	Disposals	Corporate actions	At 31 December 2017
<b>Listed equities (continued)</b>					
<b>China (continued)</b>					
GoerTek Inc	22,700	64,600	(10,400)	17,900	94,800
Gousen Securities Co Ltd	60,900	80,600	(22,200)	-	119,300
Great Wall Motor Co Ltd	29,800	41,600	(11,300)	-	60,100
Gree Electric Appliances Inc of Zhuhai	119,914	158,600	(43,400)	-	235,114
Greenland Holdings Corporation Ltd	60,200	139,830	(21,100)	-	178,930
GRG Banking Equipment Co Ltd	20,000	20,800	(47,950)	7,150	-
Guangdong By-Health Biotechnology Co Ltd	18,000	-	(18,000)	-	-
Guangdong Golden Horse Tourism Group Stock Co Ltd	11,100	-	(11,100)	-	-
Guanghui Energy Co Ltd	77,520	52,000	(129,520)	-	-
Guangshen Railway Co Ltd	83,899	111,800	(30,400)	-	165,299
Guangxi Wuzhou Zhongheng Group Co Ltd	68,774	-	(68,774)	-	-
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	13,877	100	(4,000)	-	9,977
Guangzhou Haige Communication Group	42,506	52,000	(15,800)	-	78,706
Guangzhou Port Co Ltd	-	37,300	-	-	37,300
Guangzhou Shiyuan Electronic Technology Co Ltd	-	1,300	-	-	1,300
Guizhou Bailing Group Pharmaceutical Co Ltd	10,430	15,600	(4,400)	-	21,630
Guotai Junan Securities Co Ltd	113,500	135,200	(66,200)	-	182,500
Guoxuan High-Tech Co Ltd	10,800	25,200	(3,300)	-	32,700
Guoxuan High-Tech Co Ltd Nil Paid Rights 23/11/2017	-	-	(2,700)	2,700	-
Guoyuan Securities Co Ltd	29,201	69,800	(10,700)	11,400	99,701
Hainan Airlines Holding Co Ltd	162,700	450,800	(50,800)	-	562,700
Haitong Securities Co Ltd	201,747	267,800	(72,800)	-	396,747
Hangzhou Hikvision Digital Technology Co Ltd	45,326	137,325	(20,200)	17,863	180,314
Hangzhou Robam Appliances Co Ltd	-	24,000	(700)	-	23,300
Han's Laser Technology Industry Group Co Ltd	21,141	26,300	(6,600)	-	40,841
Henan Shuanghui Investment & Development Co Ltd	24,458	31,200	(7,700)	-	47,958
Hesteel Company Ltd	105,100	140,400	(36,700)	-	208,800
Hisense Electric Co Ltd	19,441	13,000	(32,441)	-	-
Hithink Flush Information Network Co Ltd	5,300	5,900	(1,600)	-	9,600
Hua Xia Bank Co Ltd	132,213	210,600	(48,400)	18,863	313,276
Huaan Securities Co Ltd	-	55,600	(1,900)	-	53,700

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited) (continued)

31 December 2017

	At 1 January 2017	Additions	Disposals	Corporate actions	At 31 December 2017
<b>Listed equities (continued)</b>					
<b>China (continued)</b>					
Huadong Medicine Co Ltd	6,047	15,900	(2,700)	4,447	23,694
Hualan Biological Engineering Inc	13,860	18,200	(6,000)	-	26,060
Huaneng Power International Inc	-	204,700	-	-	204,700
Huatai Securities Co Ltd	80,881	106,600	(28,900)	-	158,581
Huayi Brothers Media Corporation	41,374	54,600	(15,600)	-	80,374
HUAYU Automotive Systems Co Ltd	31,212	56,526	(10,300)	-	77,438
Hubei Biocause Pharmaceutical Co Ltd	31,600	50,100	(9,900)	-	71,800
Hunan TV & Broadcast Intermediary Co Ltd	28,026	18,200	(46,226)	-	-
Hundsun Electronic Co Ltd	12,214	15,536	(3,800)	-	23,950
iFLYTEK Co Ltd	22,676	31,700	(7,000)	-	47,376
Industrial and Commercial Bank of China Ltd	537,600	709,800	(192,400)	-	1,055,000
Industrial Bank Co Ltd	332,412	412,900	(135,700)	-	609,612
Industrial Securities Co Ltd	115,990	153,370	(42,500)	-	226,860
Inner Mongolia Junzheng Energy & Chemical Industry Co Ltd	62,616	71,200	(23,700)	-	110,116
Inner Mongolia Yili Industrial Group Co Ltd	151,140	200,200	(54,100)	-	297,240
Inner Mongolian BaoTou Steel Union Co Ltd	241,800	449,800	(95,400)	71,120	667,320
Inspur Electronic Information Industry Co Ltd	14,800	13,000	(27,800)	-	-
Jiangsu Broadcasting Cable Information Network Corporation Ltd	38,440	51,980	(13,700)	-	76,720
Jiangsu Hengrui Medicine Co Ltd	34,867	57,113	(13,500)	5,173	83,653
Jiangsu Jiujiujiu Technologies Co Ltd	-	21,100	(5,900)	-	15,200
Jiangsu Phoenix Publishing & Media Corporation Ltd	18,900	-	(18,900)	-	-
Jiangsu Protruly Vision Technology Group Co Ltd	24,100	-	(6,900)	-	17,200
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	14,929	20,708	(5,700)	-	29,937
Jiangsu Zhangjiagang Rural Commercial Bank Co Ltd	-	9,200	(100)	-	9,100
Jiangsu Zhongnan Construction Group Co Ltd	-	92,400	(700)	-	91,700
Jiangsu Zhongtian Technology Co Ltd	-	108,100	(4,200)	-	103,900
Jiangxi Copper Co Ltd	20,590	36,500	(7,600)	-	49,490
Jiangxi Ganfeng Lithium Co Ltd	-	24,500	-	-	24,500
Jiangxi Ganfeng Lithium Co Ltd Nil Paid Rights 21/12/2017	-	-	(21,300)	21,300	-



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	At 1 January 2017	Additions	Disposals	Corporate actions	At 31 December 2017
<b>Listed equities (continued)</b>					
<b>China (continued)</b>					
Jihua Group Corporation Ltd	38,200	41,600	(16,000)	-	63,800
Jilin Aodong Medicine Industry Groups Co Ltd	17,742	31,200	(6,800)	3,793	45,935
Jinduicheng Molybdenum Co Ltd	23,967	31,200	(8,000)	-	47,167
Juneyao Airlines Co Ltd	6,400	-	(6,400)	-	-
Kangde Xin Composite Material Group Co Ltd	61,055	75,352	(33,500)	-	102,907
Kangmei Pharmaceutical Co Ltd	73,446	98,800	(26,000)	-	146,246
Kweichow Moutai Co Ltd	12,562	15,715	(4,000)	-	24,277
Leo Group Co Ltd	15,900	84,200	(135,350)	35,250	-
Lepu Medical Technology	-	53,100	-	-	53,100
Leshi Internet Information & Technology (Beijing) Co Ltd	25,500	2,400	(4,800)	23,100	46,200
Liaoning Cheng Da Co Ltd	30,257	41,600	(11,100)	-	60,757
Lomon Billions Group Co Ltd	-	30,300	-	-	30,300
LONGi Green Energy Technology Co Ltd	-	68,901	-	-	68,901
Luxin Venture Capital Group Co Ltd	7,400	-	(7,400)	-	-
Luxshare Precision InduStry Co Ltd	21,021	56,100	(6,800)	7,510	77,831
Luzhou Laojiao Co Ltd	17,333	25,000	(5,400)	-	36,933
Material Industry Zhongda Group Co Ltd	28,380	57,200	(10,900)	10,190	84,870
MeiHua Holdings Group Co Ltd	46,200	-	(46,200)	-	-
Meinian Onehealth Healthcare Holdings Co Ltd	-	55,200	(5,600)	-	49,600
Metallurgical Corporation of China Ltd	120,600	185,900	(45,900)	-	260,600
Midea Group Co Ltd	112,090	148,200	(39,200)	-	221,090
Minmetals Capital Co Ltd	-	16,200	-	-	16,200
Muyuan Foodstuff Co Ltd	10,200	10,600	(4,300)	-	16,500
NARI Technology Development Co Ltd	36,067	57,200	(11,900)	-	81,367
Neusoft Co Ltd	24,578	15,600	(40,178)	-	-
New China Life Insurance Co Ltd	20,632	26,000	(6,400)	-	40,232
New Hope Liuhe Co Ltd	51,600	70,200	(19,200)	-	102,600
Ningbo Zhoushan Port Co Ltd	97,800	130,000	(33,800)	-	194,000
Ninjing Xinjiekou Department Store Co Ltd	-	21,500	-	-	21,500
Northeast Securities Co Ltd	34,712	46,800	(12,300)	-	69,212
Offshore Oil Engineering Co Ltd	54,700	72,800	(18,900)	-	108,600
O-Film Tech Co Ltd	18,850	82,059	(57,900)	50,263	93,272
OPPEIN Home Group Inc	-	1,400	-	-	1,400
Orient Securities Co Ltd	77,100	101,400	(27,500)	-	151,000
Ourpalm Co Ltd	48,000	75,100	(14,700)	-	108,400
Pacific Security Co Ltd	168,700	226,200	(60,600)	-	334,300
Pang Da Automobile Trade Co Ltd	115,700	-	(115,700)	-	-

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited) (continued)

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	At 1 January 2017	Additions	Disposals	Corporate actions	At 31 December 2017
<b>Listed equities (continued)</b>					
<b>China (continued)</b>					
People.cn Co Ltd	13,640	-	(13,640)	-	-
Perfect World Co Ltd	-	18,100	-	-	18,100
PetroChina Co Ltd	120,234	232,700	(37,500)	-	315,434
Ping An Bank Co Ltd	212,476	283,400	(75,300)	-	420,576
Ping An Insurance (Group) Co of China Ltd	269,992	359,000	(98,600)	-	530,392
Poly Real Estate Group Co Ltd	176,100	234,000	(63,500)	-	346,600
Power Construction Corporation of China	102,100	157,400	(34,300)	-	225,200
Qingdao Haier Co Ltd	75,446	101,400	(27,900)	-	148,946
Qinghai Salt Lake Potash Co Ltd	18,400	48,300	(7,500)	8,200	67,400
Rights F TQ Lithium I I A Rights Nil Paid Rights 28/12/2017	-	-	(2,925)	2,925	-
Risesun Real Estate Development Co Ltd	32,334	64,600	(11,600)	-	85,334
S F Holding Co Ltd	-	9,900	(100)	-	9,800
SAIC Motor Corporation Ltd	81,885	117,200	(27,500)	-	171,585
Sanan Optoelectronics Co Ltd	50,448	86,400	(18,000)	-	118,848
Sanity Marine Corp Ltd	-	31,600	-	-	31,600
Sany Heavy Industry Co Ltd	94,232	160,200	(29,100)	-	225,332
SDIC Capital Co Ltd (formerly SDIC Essence Holdings Co Ltd)	27,400	26,000	(12,800)	-	40,600
SDIC Power Holdings Co Ltd	100,820	132,600	(35,500)	-	197,920
Sealand Securities Co Ltd	73,010	96,200	(26,100)	-	143,110
Searainbow Holding Corporation	17,800	23,400	(7,300)	-	33,900
Shaanxi Coal Industry Co Ltd	49,500	161,000	(14,900)	-	195,600
Shandong Buchang Pharmaceuticals Co Ltd	-	2,400	-	-	2,400
Shandong Dong-E E-Jiao Co Ltd	12,996	16,000	(4,100)	-	24,896
Shandong Gold Mining Co Ltd	18,425	26,000	(7,200)	-	37,225
Shandong Kingenta Ecological Engineering Co Ltd	38,800	-	(11,100)	-	27,700
Shandong Linglong Tyre Co Ltd	-	23,700	(200)	-	23,500
Shandong Nanshan Aluminum Co Ltd	-	272,200	-	-	272,200
Shanghai 2345 Network Holdings Group Co Ltd	23,900	38,300	(75,570)	13,370	-
Shanghai Bailian Group Co Ltd	19,900	26,000	(6,700)	-	39,200
Shanghai Bairun Investment Holding Group Co Ltd	4,400	-	(4,400)	-	-
Shanghai Construction Co Ltd	88,294	149,500	(32,900)	13,242	218,136
Shanghai Electric Group Co Ltd	80,000	119,100	(26,800)	-	172,300
Shanghai Electric Power Co Ltd	23,100	28,900	(8,500)	-	43,500
Shanghai Environment Group Co Ltd	-	9,890	(9,890)	-	-
Shanghai Fosun Pharmaceutical (Group) Co Ltd	24,849	31,223	(7,700)	-	48,372

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31 December 2017

	At 1 January 2017	Additions	Disposals	Corporate actions	At 31 December 2017
<b>Listed equities (continued)</b>					
<b>China (continued)</b>					
Shanghai International Airport Co Ltd	23,828	31,200	(8,000)	-	47,028
Shanghai International Port Group Co Ltd	80,320	104,000	(36,600)	-	147,720
Shanghai Jinjiang International Hotels Development Co Ltd	4,000	-	(4,000)	-	-
Shanghai Lujiazui Finance & Trade Zone Development Co Ltd	18,856	26,000	(7,900)	-	36,956
Shanghai Oriental Pearl Media Co Ltd (formerly known as Oriental Pearl Media Co Ltd)	32,480	41,600	(10,200)	-	63,880
Shanghai Pharmaceutical Co Ltd	28,564	36,400	(9,100)	-	55,864
Shanghai Pudong Development Bank Co Ltd	215,590	381,700	(74,800)	50,547	573,037
Shanghai RAAS Blood Products Co Ltd	24,618	56,640	(9,200)	-	72,058
Shanghai SMI Holding Co Ltd	45,500	77,210	(60,600)	-	62,110
Shanghai Tunnel Engineering Co Ltd	46,700	62,400	(16,300)	-	92,800
Shanghai Waigaoqiao FTZ Development Co Ltd	9,253	-	(9,253)	-	-
Shanghai Wangsu Science & Technology Co Ltd	11,772	46,800	(6,300)	18,302	70,574
Shanghai Zhangjiang Hi-Tech Park Development Co Ltd	19,200	26,000	(6,900)	-	38,300
Shanxi Meijin Energy Co Ltd	-	61,000	-	-	61,000
Shanxi Securities Co Ltd	28,000	66,200	(10,200)	-	84,000
Shanxi Xishan Coal & Electricity Power Co Ltd	39,000	52,000	(13,600)	-	77,400
Shenwan Hongyuan Group Co Ltd	148,957	200,111	(53,900)	-	295,168
Shenzhen Agricultural Products Co Ltd	16,791	-	(16,791)	-	-
Shenzhen Energy Group Co Ltd	29,400	-	(29,400)	-	-
Shenzhen Huiding Technology Co Ltd	-	1,500	-	-	1,500
Shenzhen Infogem Technologies Co Ltd	6,800	-	(6,800)	-	-
Shenzhen Inovance Technology Co Ltd	23,798	31,200	(6,800)	-	48,198
Shenzhen Kingdom Sci-Tech Co Ltd	12,400	7,800	(20,200)	-	-
Shenzhen Overseas Chinese Town Co Ltd	81,200	106,598	(28,700)	-	159,098
Shenzhen Salubris Pharmaceuticals Co Ltd	-	21,492	-	-	21,492
Shenzhen Sunway Communication Co Ltd	-	38,700	-	-	38,700
Shenzhen YUTO Packaging Technology Co Ltd	-	1,400	-	-	1,400

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	At 1 January 2017	Additions	Disposals	Corporate actions	At 31 December 2017
<b>Listed equities (continued)</b>					
<b>China (continued)</b>					
Shenzhen Zhongjin Lingnan Nonfemet Co Ltd	38,290	54,600	(12,500)	-	80,390
Siasun Robot & Automation Co Ltd	27,020	36,400	(9,600)	-	53,820
Sichuan Changhong Electric Co Ltd	91,400	-	(91,400)	-	-
Sichuan Chuantou Energy Co Ltd	54,500	72,800	(19,100)	-	108,200
Sinolink Securities Co Ltd	52,386	70,200	(19,700)	-	102,886
Sinopec Oilfield Service Corporation	44,700	59,800	(16,900)	-	87,600
Sinopec Shanghai Petrochemical Co Ltd	54,200	59,800	(42,800)	-	71,200
Songcheng Performance Development Co Ltd	14,400	28,400	(6,100)	-	36,700
Soochow Security Co Ltd	51,966	82,400	(17,000)	-	117,366
Soufeiya Home Collection Co Ltd	-	25,900	-	-	25,900
Southwest Securities Co Ltd	69,890	93,600	(24,600)	-	138,890
Spring Airlines Co Ltd	5,900	8,100	(3,600)	-	10,400
STO Express Co Ltd	-	15,200	-	-	15,200
Suning Commerce Group Co Ltd	92,200	122,200	(33,000)	-	181,400
Suning Universal Co Ltd	30,000	30,800	(60,800)	-	-
Sunshine City Group Co Ltd	40,100	52,000	(13,200)	-	78,900
Suzhou Gold Mantis Constructions	39,264	51,923	(13,400)	-	77,787
Suzhou Victory Precision Manufacture Co Ltd	42,300	67,600	(9,100)	-	100,800
SZN Bank of Ningbo Nil Paid 05/12/2017	-	-	(167,000)	167,000	-
Tasly Pharmaceutical Group Co Ltd	16,024	20,800	(5,300)	-	31,524
TBEA Co Ltd	80,237	129,100	(28,200)	-	181,137
TCL Corporation	218,100	273,000	(79,400)	-	411,700
Tian Di Science & Technology Co Ltd	41,000	-	(41,000)	-	-
Tianjin Zhonghuan Semiconductor Co Ltd	41,160	-	-	-	41,160
Tianqi Lithium Industries Inc	14,800	24,100	(5,700)	-	33,200
Tonghua Dongbao Pharmaceutical Co Ltd	24,636	-	(28,163)	3,527	-
Tongling Nonferrous Metals Group Co Ltd	165,600	205,400	(63,500)	-	307,500
Triangle Tyre Co Ltd	-	12,000	(1,600)	-	10,400
Tsinghua Tongfang Co Ltd	44,000	57,200	(14,600)	-	86,600
Tsinghua Unisplendour Co Ltd	3,600	5,200	(1,400)	-	7,400
Tus-Sound Environmental Resources Co Ltd	12,719	15,800	(4,000)	-	24,519
Unigroup Guozin Co Ltd	9,000	5,200	(14,200)	-	-
Wanda Film Holding Co Ltd (Formerly known as Wanda Cinema Line Co Ltd)	11,600	-	(3,300)	-	8,300
WanHua Chemical Group Co Ltd	26,806	23,900	(8,300)	4,241	46,647
Wanxiang Qianchao Co Ltd	28,360	46,800	(11,200)	4,392	68,352

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited) (continued)

31 December 2017

	At 1 January 2017	Additions	Disposals	Corporate actions	At 31 December 2017
<b>Listed equities (continued)</b>					
<b>China (continued)</b>					
Wasu Media Holdings Co Ltd	14,200	10,400	(24,600)	-	-
Weichai Power Co Ltd	59,924	158,600	(25,200)	42,724	236,048
Western Securities Co Ltd	34,600	63,052	(11,900)	-	85,752
Wintime Energy Co Ltd	123,040	-	(38,500)	-	84,540
Wonders Information Co Ltd	17,700	13,000	(30,700)	-	-
Wuhan Iron and Steel Co Ltd	124,900	-	(124,900)	-	-
Wuhu Shunrong Sanqi Interactive Entertainment Network Technology Co Ltd	-	20,400	(4,700)	-	15,700
Wuliangye Yibin Co Ltd	46,979	62,400	(16,200)	-	93,179
XCMG Construction Machinery Co Ltd	109,100	137,800	(42,100)	-	204,800
Xiamen C&D Inc	42,058	46,800	(19,200)	-	69,658
Xiamen Tungsten Co Ltd	-	23,900	(1,900)	-	22,000
Xinhu Zhongbao Co Ltd	85,100	156,800	(31,400)	-	210,500
Xinjiang Goldwind Science & Technology Co Ltd	38,700	67,580	(14,400)	8,280	100,160
Xinxing Ductile Iron Pipes Co Ltd	54,100	-	(54,100)	-	-
Yanzhou Coal Mining Co Ltd	9,499	11,500	(3,200)	-	17,799
Yonghui Superstores Co Ltd	94,724	127,400	(29,600)	-	192,524
Yonyou Network Technology Co Ltd	18,124	26,000	(7,200)	-	36,924
Youngor Group Co Ltd	38,005	86,900	(12,700)	11,202	123,407
Youzu Interactive Co Ltd	8,500	16,000	(2,600)	-	21,900
Yunnan Baiyao Group Co Ltd	15,443	15,900	(6,500)	-	24,843
Zhangzhou Pientzehuang Pharmaceutical Co Ltd	-	15,656	(600)	-	15,056
Zhejiang Century Huatong Group Co Ltd	-	15,800	(500)	-	15,300
Zhejiang China Commodities City Group Co Ltd	67,400	88,400	(22,800)	-	133,000
Zhejiang CHINT Electrics Co Ltd	9,800	16,000	(4,000)	-	21,800
Zhejiang Dahua Technology Co Ltd	35,880	60,730	(11,200)	-	85,410
Zhejiang Huace Film & TV Co Ltd	17,340	10,400	(27,740)	-	-
Zhejiang Huayou Cobalt Co Ltd	-	14,900	-	-	14,900
Zhejiang Longsheng Group Co Ltd	56,366	75,400	(21,000)	-	110,766
Zhejiang Wanfeng Auto Wheel Co Ltd	22,599	-	(26,159)	3,560	-
Zhejiang Zheneng Electric	100,960	132,600	(35,400)	-	198,160
Zhengzhou Yutong Bus Co Ltd	32,901	44,200	(12,900)	-	64,201
Zheshang Securities Co Ltd	-	17,200	-	-	17,200
Zhongjin Gold Co Ltd	42,711	57,200	(15,000)	-	84,911
Zhongtian Financial Group Co Ltd (Formerly known as Zhongtian Urban Development Group Co Ltd)	65,800	2,200	(18,200)	-	49,800
Zijin Mining Group Co Ltd	273,800	340,600	(106,700)	-	507,700
Zoomlion Heavy Industry Science & Technology Co Ltd	108,769	143,000	(39,100)	-	212,669
ZTE Corporation	58,871	78,000	(20,200)	-	116,671

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PERFORMANCE TABLE (unaudited)

31 December 2017

**1. Net Asset Value**

	Net asset value per unit RMB	Total net asset value RMB
31 December 2017	14.6788	579,810,781
31 December 2016	12.1415	230,688,150
31 December 2015	13.7801	378,953,756

**2. Highest issue and lowest redemption prices per unit**

	Highest issue unit price RMB	Lowest redemption unit price RMB
Year ended 31 December 2017	15.4204	12.2070
Year ended 31 December 2016	13.1305	10.5903
Year ended 31 December 2015	19.7223	11.1933
Period from 5 March 2014 (date of inception) to 31 December 2014	12.9350	7.6607

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

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

	CSI300 Index	RMB Counter of the Sub-Fund	HKD Counter of the Sub-Fund
During the year/period ended			
31 December 2017	21.78%	20.55%	30.04%
31 December 2016	-11.28%	-11.84%	-16.64%
31 December 2015	5.58%	6.87%	0.73%
31 December 2014 <sup>1</sup>	62.97%	62.46%	59.32%

<sup>1</sup>Year of inception