

ChinaAMC ETF Series  
**ChinaAMC MSCI China A  
Inclusion Index ETF**

Annual Report

For the period from  
7 February 2018 (date of inception) to 31 December 2018



**华夏基金**  
**ChinaAMC**

## ANNUAL REPORT

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

For the period from 7 February 2018 (date of inception)  
to 31 December 2018

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CONTENTS

	Pages
MANAGEMENT AND ADMINISTRATION	1 - 2
REPORT OF THE MANAGER TO THE UNITHOLDERS	3
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	4
STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE	5
INDEPENDENT AUDITOR'S REPORT	6 - 9
AUDITED FINANCIAL STATEMENTS	
Statement of financial position	10
Statement of comprehensive income	11
Statement of changes in net assets attributable to unitholders	12
Statement of cash flows	13
Statement of distribution	14
Notes to financial statements	15 - 34
INVESTMENT PORTFOLIO	35 - 41
MOVEMENTS IN INVESTMENT PORTFOLIO	42 - 48
PERFORMANCE RECORD	49

IMPORTANT:

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about the Sub-Fund, please refer to the prospectus of the Sub-Fund which is available at our website: <http://www.chinaamc.com.hk/en/products/etf/msci-china-a/documents.html>

Investors should not rely on the information contained in this report for their investment decisions.

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

## MANAGEMENT AND ADMINISTRATION

### **Manager and RQFII Holder**

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

### **Directors of the Manager**

Yang Minghui  
Zhang Xiaoling  
Gan Tian  
Tang Xiaodong (appointed on 10 January 2018 and  
resigned on 27 April 2018)  
Li Yimei (appointed on 18 May 2018)  
Li Min (appointed on 18 May 2018)

### **Trustee**

Cititrust Limited  
50/F, Champion Tower  
Three Garden Road  
Central, Hong Kong

### **PRC Custodian**

Citibank (China) Co., Limited  
Citigroup Tower  
No. 33, Hua Yuan Shi Qiao Road  
Lu Jia Zui Finance and Trade Area, Shanghai  
People's Republic of China

### **Auditor**

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

### **Administrator and Custodian**

Citibank, N.A.  
50/F, Champion Tower  
Three Garden Road  
Central, Hong Kong

### **Registrar**

Computershare Hong Kong Investor Services  
Limited  
46/F, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

### **Service Agent**

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

### **Legal Counsel to the Manager**

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

ChinaAMC MSCI China A Inclusion Index ETF  
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MANAGEMENT AND ADMINISTRATION (continued)

**Participating Dealers**

BNP Paribas Securities Services  
21/F, PCCW Tower, Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

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

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

Citigroup Global Markets Asia Limited  
50/F, Champion Tower  
Three Garden Road  
Central, Hong Kong

Guotai Junan Securities (Hong Kong) Limited  
27/F, Low Block, Grand Millennium Plaza  
181 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 Asia Limited  
41/F, Central Plaza  
18 Harbour Road  
Wanchai, Hong Kong

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

The Hongkong and Shanghai Banking Corporation  
Limited  
Level 10, HSBC Main Building  
1 Queen's Road  
Central, Hong Kong

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

REPORT OF THE MANAGER TO THE UNITHOLDERS

**Introduction**

The ChinaAMC MSCI China A Inclusion Index ETF (the "Sub-Fund"), a sub-fund of ChinaAMC ETF Series, is an umbrella unit trust established under Hong Kong law. Units of the Sub-Fund (the "Units") are listed on The Stock Exchange of Hong Kong Limited (the "SEHK") and traded on the SEHK like listed stocks. The Sub-Fund is a physical ETF which invests directly in China A-share market through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively "Stock Connect") and the Manager's renminbi qualified foreign institutional investor ("RQFII") quota on an ancillary basis.

The Manager primarily uses a full replication strategy through investing directly in China A-shares listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange ("A-Shares") included in the Index in substantially the same weightings in which they are included in the Index, primarily through the Stock Connect. For flexibility, the Sub-Fund may also invest through the RQFII as a supplementary access channel. The Manager may invest up to 100% of the Sub-Fund's NAV through Stock Connect and not more than 30% of its NAV through RQFII. The Manager may also use a representative sampling strategy where it is not possible to acquire certain A-Shares which are constituents of the MSCI China A Inclusion Index (the "Index") due to restrictions or limited availability. This means that the Sub-Fund will invest directly in a representative sample of securities that collectively has an investment profile that aims to reflect the profile of the Index. The securities constituting the representative sample may or may not themselves be constituents of the Index.

**Performance of the Sub-Fund**

The investment objective is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index.

The performance of the Sub-Fund is as below (Total Returns in respective currency<sup>1</sup>):

	1-Month	3-Month	Since Launch
The Index	-3.98%	-11.39%	-24.80% <sup>2</sup>
RMB Counter of the Sub-Fund (NAV-to-NAV)	-4.17%	-11.91%	-23.98% <sup>2</sup>
RMB Counter of the Sub-Fund (Market-to-Market)	-5.50%	-12.98%	-26.44% <sup>2</sup>
HKD Counter of the Sub-Fund (NAV-to-NAV)	-2.98%	-11.62%	-30.51% <sup>2</sup>
HKD Counter of the Sub-Fund (Market-to-Market)	-3.77%	-11.30%	-31.77% <sup>2</sup>

**Activities of the Sub-Fund**

According to Bloomberg, the average daily trading volume of the Sub-Fund was approximately 175,942 units from 7 February 2018 (date of inception) to 31 December 2018. As of 31 December 2018, there were 8,500,000 units outstanding.

**Activities of the Index**

There were 2 rebalances for the Index from 7 February 2018 (date of inception) to 31 December 2018. As of 31 December 2018, the Sub-Fund comprised of all 234 constituent stocks in the Index.

China Asset Management (Hong Kong) Limited  
23 April 2019

<sup>1</sup> Source: Bloomberg, as of 31 December 2018. Performances of the Index and RMB Counter of the Sub-Fund are calculated in RMB while performances of HKD Counter of the Sub-Fund are calculated in HKD.

<sup>2</sup> Calculated Since 7 February 2018.

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

## REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, China Asset Management (Hong Kong) Limited, the Manager of ChinaAMC MSCI China A Inclusion Index ETF (the "Sub-Fund") has, in all material respects, managed the Sub-Fund in accordance with the provisions of the trust deed dated 28 May 2012, as amended or supplemented from time to time, for the period from 7 February 2018 (date of inception) to 31 December 2018.

Cititrust Limited  
23 April 2019

## STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

### **Manager's responsibilities**

China Asset Management (Hong Kong) Limited (the "Manager"), the manager of the ChinaAMC MSCI China A Inclusion Index ETF (the 'Sub-Fund'), a sub-fund of ChinaAMC ETF Series (the "Trust"), is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code") and the trust deed dated 28 May 2012, as amended or supplemented from time to time (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements the Manager is required to:

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

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

The Trust is an umbrella unit trust governed by its Trust Deed. As at 31 December 2018, the Trust has established with three sub-funds.

### **Trustee's responsibilities**

The Trustee of the Sub-Fund is required to:

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



## **Independent auditor's report**

### **To the unitholders of ChinaAMC MSCI China A Inclusion Index ETF** (a sub-fund of ChinaAMC ETF Series)

## **Report on the audit of the financial statements**

### **Opinion**

We have audited the financial statements of ChinaAMC MSCI China A Inclusion Index ETF (a sub-fund of ChinaAMC ETF Series (the "Trust") and referred to as the "Sub-Fund") set out on pages 10 to 34 which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, the statement of changes in net assets attributable to unitholders, the statement of cash flows and the statement of distribution for the period from 7 February 2018 (date of inception) to 31 December 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial disposition of the Sub-Fund as at 31 December 2018, and of its financial transactions and its cash flows for the period 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 *Code of Ethics for Professional Accountants* (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

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

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

## Independent auditor's report (continued)

### To the unitholders of ChinaAMC MSCI China A Inclusion Index ETF (a sub-fund of ChinaAMC ETF Series)

#### 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>Refer to disclosures on fair values of financial instruments in notes 10 – 11 to the financial statements.</p> <p>As at 31 December 2018, financial assets at fair value through profit or loss amounted to RMB60,772,582 which represented 100.00% 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 and there were 234 constituent listed shares in the Sub-Fund. They were kept by one custodian and measured at fair value. Furthermore, as at 31 December 2018, equity investments amounting to RMB598,880 were suspended shares which represented 0.99% 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 significant assumptions and judgements were involved in measuring the fair value of the suspended shares.</p>	<p>We obtained independent confirmation from the custodian and counterparties of the investment portfolio held at 31 December 2018, and agreed the quantities held to the accounting records. We tested the design and operating effectiveness of controls for the valuation of financial instruments. In addition, we checked the valuation of the financial assets at fair value through profit or loss that are quoted in active markets by independently agreeing the valuation of financial assets to third party vendor sources such as Reuters or Bloomberg at 31 December 2018.</p> <p>For suspended shares in which the quoted price cannot be obtained, we evaluated the valuation techniques and inputs applied through comparison with the valuation techniques that are commonly used in the market and the validation of observable inputs using external market data. In addition, we evaluated the reasonableness of the assumptions made by management and we reviewed the financial statement disclosures regarding the fair value hierarchy as set out in notes 10-11 to the financial statements.</p>

#### Information other than the financial statements and auditor's report thereon

The Manager and the Trustee of the Sub-Fund 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.

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

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

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

### **To the unitholders of ChinaAMC MSCI China A Inclusion Index ETF** (a sub-fund of ChinaAMC ETF Series)

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

The Manager and the Trustee 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 Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Manager and the Trustee of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 28 May 2012 as amended or supplemented from time to time (the "Trust Deed") and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds (the "SFC Code") issued by the Securities and Futures Commission of Hong Kong.

#### **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, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.

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

### **To the unitholders of ChinaAMC MSCI China A Inclusion Index ETF** (a sub-fund of ChinaAMC ETF Series)

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

- Conclude on the appropriateness of the Manager and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

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

Certified Public Accountants  
Hong Kong  
23 April 2019

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

STATEMENT OF FINANCIAL POSITION

31 December 2018

	Notes	RMB
ASSETS		
Financial assets at fair value through profit or loss	10	60,772,582
Cash and cash equivalents	12	<u>653,103</u>
TOTAL ASSETS		<u>61,425,685</u>
LIABILITIES		
Management fee payable	5(a)	32,256
Custodian, fund administration and trustee fees payable	5(b)	61,489
Other payables and accruals		<u>556,572</u>
TOTAL LIABILITIES		<u>650,317</u>
EQUITY		
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	9	<u>60,775,368</u>
TOTAL LIABILITIES AND EQUITY		<u>61,425,685</u>
NUMBER OF UNITS IN ISSUE	9	<u>8,500,000</u>
NET ASSET VALUE PER UNIT	9	<u>7.1500</u>

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

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

STATEMENT OF COMPREHENSIVE INCOME

For the period from 7 February 2018 (date of inception) to 31 December 2018

	Notes	RMB
INCOME		
Dividend income		2,934,704
Interest income		4,226
		<u>2,938,930</u>
EXPENSES		
Management fee	5(a)	( 595,648)
Brokerage fee		( 224,351)
Custodian, fund administration and trustee fees	5(b)	( 367,203)
Auditor's remuneration		( 85,231)
Index licensing fee		( 48,711)
Data licensing fee		( 129,893)
Professional fee		( 14,468)
Formation costs		( 683,490)
Other operating expenses		( 491,386)
		<u>( 2,640,381)</u>
PROFIT BEFORE INVESTMENT LOSSES		298,549
INVESTMENT LOSSES		
Net change in unrealised losses on financial assets at fair value through profit or loss		( 21,559,847)
Net realised losses on financial assets at fair value through profit or loss		<u>( 18,641,665)</u>
NET INVESTMENTS LOSSES		<u>( 40,201,512)</u>
LOSS BEFORE TAX		( 39,902,963)
Withholding income tax expenses	7	<u>( 294,367)</u>
TOTAL COMPREHENSIVE INCOME		<u>( 40,197,330)</u>

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

ChinaAMC MSCI China A Inclusion Index ETF  
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 7 February 2018 (date of inception) to 31 December 2018

	Note	RMB
At 7 February 2018 (date of inception)		–
Issue of units		169,491,397
Redemption of units		( 68,038,699)
Total comprehensive income		( 40,197,330)
Distribution to unitholders	8	<u>( 480,000)</u>
At 31 December 2018		<u>60,775,368</u>

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

ChinaAMC MSCI China A Inclusion Index ETF  
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STATEMENT OF CASH FLOWS

For the period from 7 February 2018 (date of inception) to 31 December 2018

	Note	RMB
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax		( 39,902,963)
Increase in financial assets at fair value through profit or loss		( 60,772,582)
Increase in management fee payable		32,256
Increase in custodian, fund administration and trustee fees payable		61,489
Increase in other payables and accruals		556,572
Cash used in operations		( 100,025,228)
Tax paid		( 294,367)
Net cash flows used in operating activities		( 100,319,595)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distribution paid to unitholders		( 480,000)
Proceeds from issue of units		169,491,397
Payments on redemption of units		( 68,038,699)
Net cash flows generated from financing activities		100,972,698
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		653,103
Cash and cash equivalents at beginning of period		—
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	12	653,103
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash at banks	12	653,103
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:</b>		
Dividend received net of withholding tax		2,640,337
Interest received		4,226

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



ChinaAMC MSCI China A Inclusion Index ETF  
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STATEMENT OF DISTRIBUTION

Period from 7 February 2018 (date of inception) to 31 December 2018

	Note	RMB
Total comprehensive income		( 40,197,330)
Add: net losses on financial assets at fair value through profit or loss		<u>40,201,512</u>
Undistributed income before distribution		4,182
Interim distribution declared on 6 July 2018 (RMB0.04 per unit)	8	( 480,000)
Transfer from capital		<u>475,818</u>
Undistributed income at 31 December 2018		<u>—</u>

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

## NOTES TO FINANCIAL STATEMENTS

31 December 2018

### 1. THE TRUST

ChinaAMC ETF Series (the "Trust") is an umbrella unit trust governed by its trust deed dated 28 May 2012, as amended or supplemented from time to time (the "Trust Deed") between China Asset Management (Hong Kong) Limited (the "Manager") and Cititrust Limited (the "Trustee"). It 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 third sub-fund of the Trust, ChinaAMC MSCI China A Inclusion Index ETF (the "Sub-Fund"). The Sub-Fund commenced trading under the stock codes 83197 (RMB counter) and 03197 (HKD counter) on the Stock Exchange of Hong Kong Limited ("SEHK") on 7 February 2018.

Pursuant to the guidelines on management and operation of Renminbi Qualified Foreign Institutional Investor ("RQFII") issued by the State of Administration of Foreign Exchange ("SAFE") on and effective from 30 May 2014, an RQFII has the flexibility to allocate its RQFII quota granted by SAFE across different public fund products under its management. Accordingly, the Sub-Fund no longer has the exclusive use of all the RQFII quota previously granted by SAFE to the Manager in respect of the Sub-Fund. The Manager, at its discretion, may re-allocate the RQFII quota in respect of the Sub-Fund to other public fund products under its management or vice versa without having to obtain prior approval from SAFE.

The investment objective of the Sub-Fund is to provide investment results that closely correspond to the performance of the MSCI China A Inclusion Index (the "Index"). The Sub-Fund is a physical exchange traded fund investing directly in the underlying A-Shares of the Index.

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds of the SFC (the "SFC Code").

They have been prepared under the historical cost basis, except for financial assets classified at fair value through profit or loss ("FVPL") that have been measured at fair value. These financial statements are presented in Chinese Renminbi ("RMB") and all values are rounded to the nearest RMB except where otherwise indicated.

## NOTES TO FINANCIAL STATEMENTS

31 December 2018

### 2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Sub-Fund has not early applied any of the new and revised IFRSs that have been issued but are not yet effective for the accounting period ended 31 December 2018, in these financial statements. Among the new and revised IFRSs, the following are expected to be relevant to the Sub-Fund's financial statements upon becoming effective:

Amendments to IAS 1 and IAS 8 *Definition of Material*<sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Sub-Fund expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Sub-Fund's financial statements.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial instruments

##### (a) Classification

In accordance with IFRS 9, the Sub-Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or
- On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking, or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

#### Financial assets

The Sub-Fund classifies its financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

## NOTES TO FINANCIAL STATEMENTS

31 December 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### (a) Classification (continued)

###### *(i) Financial assets measured at amortised cost*

Financial assets are measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

###### *(ii) Financial assets measured at FVPL*

A financial asset is measured at FVPL if:

- Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding, or
- It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell, or
- At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Sub-Fund includes in this category instruments held for trading. This category includes equity instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

#### Financial liabilities

Financial liabilities measured at amortised cost includes all financial liabilities. The Sub-Fund includes in this category management fee payable, custodian, fund administration and trustee fees payables and other payables and accruals.

##### (b) Recognition

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

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

##### (c) Initial measurement

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

Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

## NOTES TO FINANCIAL STATEMENTS

31 December 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### (d) Subsequent measurement

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

Financial assets, other than those classified as at FVPL, are measured at amortised cost using the effective interest method ("EIR") less any allowance for impairment. Gains and losses are recognised in profit or loss when the financial assets are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the EIR. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The EIR is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss 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 asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the 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 expected credit losses ("ECLs"). 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.

##### (e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or a 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 the Sub-Fund has:

- Transferred substantially all the risks and rewards of the asset, or
- Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

## NOTES TO FINANCIAL STATEMENTS

31 December 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fair value measurement

The Sub-Fund measures its investments in financial instruments, such as equity instruments, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
  - In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Sub-Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Sub-Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

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

## NOTES TO FINANCIAL STATEMENTS

31 December 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

#### 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.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as cash and cash equivalents.

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.

#### Functional and presentation 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 SEHK 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.

#### Foreign currency translations

Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or transaction of monetary items are recognised in the statement of comprehensive income.

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 is determined.

Foreign currency transaction gains and losses on financial instruments classified as at FVPL are included in profit or loss in the statement of comprehensive income.

## NOTES TO FINANCIAL STATEMENTS

31 December 2018

### 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, dividend income, interest income and capital gains are subject to withholding income tax deducted at the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment gains in the statement of comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, 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-rata* share of the Sub-Fund's net assets.
- (e) The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund over the life of the instrument.

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

- (a) Total cash flows based substantially on 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 acquiring 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 comprehensive income on the purchase, sale, issuance or cancellation of the Sub-Fund's own equity instruments.



## NOTES TO FINANCIAL STATEMENTS

31 December 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Dividend income

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

#### Interest income

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

#### Net change in unrealised gains or losses on financial assets at FVPL

This item includes changes in the fair value of financial assets and liabilities at FVPL 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's unrealised gains and losses for financial instruments which were realised in the reporting period.

#### Net realised gains or losses on financial assets at FVPL

Realised gains and losses on disposals of financial assets at FVPL are calculated using the weighted average method. They represent the difference between an instrument's average cost and disposal amount.

#### 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 period in which it is approved by the Manager.

#### 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

## NOTES TO FINANCIAL STATEMENTS

31 December 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Related parties (continued)

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

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND CHANGES IN ACCOUNTING ESTIMATES

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

#### Going concern

The Manager has made an assessment of the Sub-Fund's ability to continue as a going concern and is satisfied that the Sub-Fund has the intention and resources to continue in business for the next 12 months after the year end date. Furthermore, the Manager is not aware of any material uncertainties that may cast significant doubt upon the Sub-Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

#### Taxation

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

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

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

# NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

### (a) Management fee

The Manager is entitled to receive a management fee from the Sub-Fund, at a rate of 0.6% (up to maximum of 1%) per annum with respect to the net asset value of the Sub-Fund calculated and accrued on each dealing day and is paid monthly in arrears.

The management fee incurred during the period from 7 February 2018 (date of inception) to 31 December 2018 amounted to RMB595,648. As at 31 December 2018, a management fee of RMB32,256 was payable to the Manager.

### (b) Custodian, fund administration and trustee fees

Custodian fees and fund administration fees pertain to the amounts charged by the Trustee as safe keeping and fund administration fees. The Trustee will bear the fees of Citibank, N.A. (the "Administrator and Custodian") and Citibank (China) Co., Limited (the "PRC Custodian").

The Trustee is entitled to receive a trustee fee from the Sub-Fund which is accrued on each dealing day and is paid 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 USD4,000.

	Trustee fee percentage per annum
Net asset value equals or less than the RMB equivalent of USD200 million	0.10%
Net asset value exceeds the RMB equivalent of USD200 million up to and including USD600 million	0.09%
Thereafter	0.07%

Under the terms of the Trust Deed, the Trustee may, after consulting the Manager, on giving not less than one month's notice to unitholders, increase the rate of the trustee fee payable in respect of the Sub-Fund up to or towards the maximum rate of 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 custodian, fund administration and trustee fees for the period from 7 February 2018 (date of inception) to 31 December 2018 amounted to RMB367,203. As at 31 December 2018, the custodian, fund administration and trustee fees of RMB49,489 and a transaction fee of RMB12,000 were payable to the Trustee.

### (c) Accounting professional fee

The Trustee is entitled to receive a financial statement preparation fee from the Sub-Fund for the preparation of interim and year-end financial statements.

The financial statement preparation fee incurred during the period from 7 February 2018 (date of inception) to 31 December 2018 amounted to RMB64,947. As at 31 December 2018, a financial statement preparation fee of RMB64,947 was payable to the Trustee.

# NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

### (d) Cash and cash equivalents

The investments and bank balances are maintained with the Administrator and Custodian as at 31 December 2018 are summarised below:

	Notes	RMB
Investments	10	<u>60,772,582</u>
Cash at banks	12	<u>653,103</u>

## 6. SOFT COMMISSION ARRANGEMENTS

The Manager and its connected persons have not received any soft dollar commissions or entered into any soft dollar arrangements in respect of the management of the Sub-Fund for the period from 7 February 2018 (date of inception) to 31 December 2018. The Manager and its connected persons have not retained any cash rebates from any broker or dealer.

## 7. TAXATION

### Hong Kong profits tax

No provision for Hong Kong profits tax has been made for the Sub-Fund as the dividend income and realised gain on disposal of investments of the Sub-Fund are excluded from the charge to profits tax under Section 104, Section 26 or Section 26A of the Hong Kong Inland Revenue Ordinance.

### PRC distribution tax

A 10% PRC withholding income tax has been levied on dividend from PRC companies to foreign investors. 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 provided for the period from 7 February 2018 (date of inception) to 31 December 2018 was RMB294,367.

## 8. DISTRIBUTION

	Distribution RMB	Distribution per unit RMB
Distribution declared by the Manager on		
- 6 July 2018 (paid on 26 July 2018)	480,000	0.04

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

9. THE REDEEMABLE UNITS

	Number of units
Number of units at the beginning of the period	-
Units issued	17,000,000
Units redeemed	<u>(8,500,000)</u>
Number of units at the end of the period	<u>8,500,000</u>

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

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

Units are denominated in RMB 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 are 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:

	RMB
Published net assets attributable to unitholders (Note)	61,332,426
Recognition of preliminary expense	<u>(557,058)</u>
Net assets attributable to unitholders (calculated in accordance with IFRS)	<u>60,775,368</u>
Published net assets attributable to unitholders (per unit) (Note)	<u>7.2156</u>
Net assets attributable to unitholders (per unit) (calculated in accordance with IFRS)	7.1500

Note:

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

NOTES TO FINANCIAL STATEMENTS

31 December 2018

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	RMB
Financial assets at fair value through profit or loss:	
Listed equity securities	<u>60,772,582</u>

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 2018:

	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	<u>60,173,702</u>	<u>—</u>	<u>598,880</u>	<u>60,772,582</u>

Transfers between Level 1 and Level 2

As at 31 December 2018, no listed equity securities were reclassified from Level 1 to Level 2.

Transfers between Level 1 and Level 3

As at 31 December 2018, the Sub-Fund reclassified one listed equity security, CITIC Securities Company Limited (stock code: 600030), from Level 1 to Level 3 following the suspension of trading of the investments.

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

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

	Transfer from Level 1 to Level 3 RMB
Financial assets at fair value through profit or loss	
- Listed equity securities	<u>598,880</u>

Transfers between Level 2 and Level 3

As at 31 December 2018, no listed equity securities were reclassified from Level 2 to Level 3.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

11. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Valuation techniques

*Level 1*

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

*Level 2*

The Manager has adopted the Index Return Method to perform valuation for investments suspended from trading. As the model incorporates unobservable inputs, whether resumed or not, the investments suspended from trading are classified as Level 3. Hence, no investments are classified as Level 2 in 2018.

*Level 3*

The valuation of investments suspended from trading is performed on a daily basis by the portfolio manager of the Manager and reviewed by senior management of the Manager and the Trustee. The fair value was estimated by the Manager using the Index Return Method and then adjusting the last traded price by applying available data of the corresponding sector of those investments since the suspension date. The model incorporates unobservable inputs which include the relevant industry index. Such valuation method is generally accepted in the industry. Hence, the Sub-Fund classifies the fair value of these investments as Level 3.

Quantitative information of significant unobservable inputs - Level 3

Description	RMB	Valuation technique	Unobservable input
<b>31 December 2018</b>			
Equity securities	598,880	Index Return Method	Return on relevant industry index (-1%)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2018 are as shown below:

**As at 31 December 2018**

	Input	Change in return of the relevant industry index	Effect on the fair value of investment RMB	Effect on the net assets attributable to unitholders RMB
Equity securities				
- Equity investment	AMAC Index	5%	29,944	29,944
	AMAC Index	(5%)	(29,944)	(29,944)

NOTES TO FINANCIAL STATEMENTS

31 December 2018

11. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

	RMB
Opening balance	–
Total losses in profit or loss	(436,814)
Purchases	1,782,584
Sales	(746,890)
Closing balance	<u>598,880</u>
Total losses for the year included in profit or loss for assets held at the end of the reporting period	<u>(436,814)</u>

12. CASH AND CASH EQUIVALENTS

	RMB
Cash at banks	<u>653,103</u>

Cash at banks held with the Administrator and Custodian were placed into interest bearing accounts. The carrying amount of the cash at banks approximates to its fair value.

13. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

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

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

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

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

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

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

There were no constituent securities that individually accounted for more than 10% of the net asset value of the Sub-Fund and their respective weightings of the Index as at 31 December 2018.



## NOTES TO FINANCIAL STATEMENTS

31 December 2018

### 14. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

#### Risk management

Risk is inherent in the Sub-Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring. The Manager is responsible for identifying and controlling risks. In the perspective of risk management, the Sub-Fund's objective is to create and protect value for unitholders.

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

#### (a) Market risk

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

#### (i) Equity price risk

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

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

As at 31 December 2018, the Sub-Fund's investments were concentrated in the following industries.

	Fair value RMB	% of net asset value
<b>A-Shares holdings</b>		
<b>By sectors</b>		
Communication Services	1,333,370	2.21%
Consumer Discretionary	5,350,536	8.80%
Consumer Staples	6,818,264	11.22%
Energy	1,679,666	2.76%
Financials	20,850,660	34.31%
Health Care	3,211,083	5.28%
Industrials	8,198,142	13.49%
Information Technology	3,979,792	6.55%
Materials	3,557,139	5.85%
Real Estate	3,366,305	5.54%
Utilities	2,427,625	3.99%
	<u>60,772,582</u>	<u>100.00%</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

Risk management (continued)

(a) Market risk (continued)

(i) Equity price risk (continued)

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

As at 31 December 2018, if the Index was to increase by 5% with all other variables held constant, profit before tax of the Sub-Fund for the period would have increased by approximately RMB3,038,629. Conversely, if the Index was to decrease by 5%, the profit before tax for the period would have decreased by an approximately equal amount.

(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 significant risk due to fluctuations in the prevailing level of market interest rates. As the Sub-Fund has no investments in fixed income assets, the Manager considers that changes in the fair value of its net assets in the event of a change in market interest rates will not be material. Therefore, no sensitivity analysis is presented.

(iii) Currency risk

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

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

(b) Credit and counterparty risk

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

All transactions by the Sub-Fund in securities are settled/paid for upon delivery using an 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 trade will fail if either party fails to meet its obligation.

The Manager's policy is to closely monitor the creditworthiness of the Sub-Fund's counterparties (e.g., brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9's impairment disclosures or not.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

Risk management (continued)

(b) Credit and counterparty risk (continued)

**Financial assets subject to IFRS 9's impairment requirements**

The Sub-Fund's financial assets subject to the ECLs model within IFRS 9 are only cash and cash equivalents. As at 31 December 2018, the total of cash and cash equivalents was RMB653,103 on which no loss allowance had been provided. It is considered that there is no concentration of credit risk within this asset. No assets are considered impaired and no amounts have been written off in the period.

For financial assets measured at amortised cost, the Sub-Fund applies the general approach for impairment, there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. The financial assets therefore are classified at stage 1 and presented in gross carrying amount.

In calculating the loss allowance, a provision matrix has been used based on historical observed loss rates over the expected life of the receivables adjusted for forward-looking estimates. All the Sub-Fund's cash and cash equivalents are held in major financial institution located in Hong Kong, which the Manager believes are of high credit quality. The Manager considers the Sub-Fund is not exposed to significant credit risk and no loss allowance has been made

**Financial assets not subject to IFRS 9's impairment requirements**

The Sub-Fund is exposed to credit risk on equity securities. This class of financial assets is not subject to IFRS 9's impairment requirements as they are measured at FVPL. The carrying value of these assets represents the Sub-Fund's maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of assets held with the Custodian. The tables below summarise the Sub-Fund's assets placed with the Administrator and Custodian and their related credit ratings from Standard & Poor's ("S&P"):

As at 31 December 2018

	RMB	Credit rating	Source of credit rating
<u>Custodian</u>			
Citibank, N.A.	60,772,582	A	S&P

The Manager of the Sub-Fund considers that none of these assets are impaired nor past due as at 31 December 2018.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

Risk management (continued)

(c) Liquidity risk

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

As at 31 December 2018, the Sub-Fund held liquid assets, comprising financial assets at FVPL and cash and cash equivalents that are expected to readily generate cash inflows for managing liquidity risk.

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

Financial assets

Analysis of equity securities at FVPL 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 a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Sub-Fund can be required to pay.

**As at 31 December 2018**

	Due on demand RMB'000	Due within 1 month RMB'000	(Note) No term RMB'000	Total RMB'000
<u>Financial assets</u>				
Financial assets at fair value through profit or loss	–	60,174	599	60,773
Cash and cash equivalents	653	–	–	653
<b>Total</b>	<b>653</b>	<b>60,174</b>	<b>599</b>	<b>61,426</b>
<u>Financial liabilities</u>				
Management fee payable	–	32	–	32
Custodian, fund administration and trustee fees payable	–	61	–	61
Other payables and accruals	–	557	–	557
<b>Total</b>	<b>–</b>	<b>650</b>	<b>–</b>	<b>650</b>

Note:

The Manager considers there is no term of maturity because the financial assets at FVPL is suspended from trading.

## NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

#### Risk management (continued)

##### 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.

### 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 investments in securities. The objectives of the Sub-Fund are to track the performance of the Index and invest in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

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

The Sub-Fund is domiciled in Hong Kong. All of the Sub-Fund's income is derived from investments in securities which constitute its tracked index. The Sub-Fund's investments are mainly domiciled in 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. EVENTS AFTER THE REPORTING PERIOD

During the period between the period end and the date of authorisation of these financial statements, there were 1,000,000 units of redemption of the Sub-Fund.

### 17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 23 April 2019.

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO

31 December 2018

	Holdings Shares	Market Value RMB	% of NAV
<b><u>Financial assets at fair value through profit or loss</u></b>			
<b><u>Listed securities</u></b>			
<b><u>China</u></b>			
<b>Communications Services</b>			
China Film Co Ltd	7,600	108,832	0.18%
China South Publishing & Media Group Co Ltd	6,900	86,250	0.14%
China United Network Communications Ltd	120,700	624,019	1.04%
Chinese Universe Publishing and Media Group Co Ltd	5,300	68,953	0.11%
CITIC Guoan Information Industry Co Ltd	14,800	49,876	0.08%
Giant Network Group Co Ltd	5,200	100,724	0.17%
Perfect World Co Ltd	3,400	94,690	0.16%
Shanghai Oriental Pearl Group Co Ltd	13,265	135,834	0.22%
Wuhu Shunrong Sanqi Interactive Entertainment Network Technology Co Ltd	6,800	64,192	0.11%
<b>Consumer Discretionary</b>			
BYD Co Ltd	7,100	362,100	0.60%
China Grand Automotive Services Co Ltd	21,608	87,728	0.14%
China International Travel Service Corp Ltd	7,548	454,390	0.75%
China Shipbuilding Industry Group Power Co Ltd	6,700	149,209	0.25%
Chongqing Changan Automobile Co Ltd	15,900	104,781	0.17%
Fuyao Glass Industry Group Co Ltd	7,600	173,128	0.28%
Gree Electric Appliances Inc of Zhuhai	11,594	413,790	0.68%
Guangzhou Automobile Group Co Ltd	8,240	84,790	0.14%
Hangzhou Robam Appliances Co Ltd	3,700	74,703	0.12%
HLA Corp Ltd	9,500	80,560	0.13%
Huayu Automotive Systems Co Ltd	11,980	220,432	0.36%
Liaoning Cheng Da Co Ltd	5,600	58,576	0.10%
Midea Group Co Ltd	25,700	947,302	1.56%
Oppein Home Group Inc	1,100	87,692	0.14%
Qingdao Haier Co Ltd	23,600	326,860	0.54%
SAIC Motor Corp Ltd	30,028	800,847	1.32%
Shandong Linglong Tyre Co Ltd	4,000	54,600	0.09%
Shenzhen Overseas Chinese Town Co Ltd	32,100	203,835	0.34%
Suning.com Co Ltd	35,900	353,615	0.58%
TCL Corp	52,800	129,360	0.21%
Wanxiang Qianchao Co Ltd	11,500	58,880	0.10%
Weifu High-Technology Group Co Ltd	3,500	61,810	0.10%
Zhejiang Semir Garment Co Ltd	6,900	61,548	0.10%
<b>Consumer Staples</b>			
Beijing Dabeinong Technology Group Co Ltd	17,000	54,400	0.09%
Foshan Haitian Flavouring & Food Co Ltd	8,651	595,189	0.98%

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2018

	Holdings Shares	Market Value RMB	% of NAV
<b><u>Financial assets at fair value through profit or loss</u></b> <b>(continued)</b>			
<b><u>Listed securities (continued)</u></b>			
<b><u>China (continued)</u></b>			
<b>Consumer Staples (continued)</b>			
Henan Shuanghui Investment & Development Co Ltd	10,400	245,336	0.41%
Inner Mongolia Yili Industrial Group Co Ltd	23,631	540,677	0.89%
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	5,868	555,817	0.91%
Kweichow Moutai Co Ltd	4,900	2,891,049	4.76%
Luzhou Laojiao Co Ltd	5,600	227,696	0.37%
Muyuan Foodstuff Co Ltd	6,696	192,510	0.32%
New Hope Liuhe Co Ltd	16,900	123,032	0.20%
Shanxi Xinghuacun Fen Wine Factory Co Ltd	3,300	115,665	0.19%
Tongwei Co Ltd	15,600	129,168	0.21%
Tsingtao Brewery Co Ltd	2,700	94,122	0.15%
Wuliangye Yibin Co Ltd	15,000	763,200	1.26%
Yonghui Superstores Co Ltd	36,900	290,403	0.48%
<b>Energy</b>			
China Petroleum & Chemical Corp	98,300	496,415	0.82%
China Shenhua Energy Co Ltd	17,100	307,116	0.51%
Offshore Oil Engineering Co Ltd	17,600	86,240	0.14%
PetroChina Co Ltd	62,486	450,524	0.74%
Shaanxi Coal Industry Co Ltd	25,700	191,208	0.31%
Shanxi Lu'an Environmental Energy Development Co Ltd	12,190	81,185	0.13%
Shanxi Xishan Coal & Electricity Power Co Ltd	12,200	66,978	0.11%
<b>Financials</b>			
Agricultural Bank of China Ltd	290,700	1,046,519	1.71%
Anxin Trust Co Ltd	21,800	95,266	0.45%
Avic Capital Co Ltd	34,800	147,552	0.24%
Bank of Beijing Co Ltd	81,600	457,776	0.75%
Bank of China Ltd	189,700	684,817	1.12%
Bank of Communications Co Ltd	153,200	887,028	1.45%
Bank of Guiyang Co Ltd	9,100	97,188	0.16%
Bank of Hangzhou Co Ltd	19,760	146,224	0.24%
Bank of Jiangsu Co Ltd	45,200	269,844	0.44%
Bank of Nanjing Co Ltd	32,700	211,242	0.34%
Bank of Ningbo Co Ltd	19,558	317,231	0.52%
Bank of Shanghai Co Ltd	42,140	471,547	0.77%
Changjiang Securities Co Ltd	22,100	113,815	0.19%
China CITIC Bank Corp Ltd	22,200	120,990	0.2%
China Construction Bank Corp	37,000	235,690	0.38%
China Everbright Bank Co Ltd	153,600	568,320	0.93%

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2018

	Holdings Shares	Market Value RMB	% of NAV
<b><u>Financial assets at fair value through profit or loss</u></b> <b>(continued)</b>			
<b><u>Listed securities (continued)</u></b>			
<b><u>China (continued)</u></b>			
<b>Financials (continued)</b>			
China Life Insurance Co Ltd	10,494	213,973	0.35%
China Merchants Bank Co Ltd	80,512	2,028,902	3.31%
China Merchants Securities Co Ltd	22,297	298,780	0.49%
China Minsheng Banking Corp Ltd	136,860	784,208	1.28%
China Pacific Insurance Group Co Ltd	24,400	693,692	1.13%
CITIC Securities Co Ltd	38,000	598,880	0.98%
Dongxing Securities Co Ltd	8,900	85,084	0.14%
Everbright Securities Co Ltd	15,400	135,058	0.22%
First Capital Securities Co Ltd	14,200	76,964	0.13%
Founder Securities Co Ltd	32,300	171,513	0.28%
GF Securities Co Ltd	22,800	289,104	0.47%
Guosen Securities Co Ltd	16,100	134,757	0.22%
Guotai Junan Securities Co Ltd	29,000	444,280	0.72%
Guoyuan Securities Co Ltd	13,500	94,230	0.15%
Haitong Securities Co Ltd	31,700	278,960	0.45%
Huaan Securities Co Ltd	14,400	67,968	0.11%
Huatai Securities Co Ltd	25,400	411,480	0.67%
Huaxia Bank Co Ltd	49,500	365,805	0.6%
Hubei Biocause Pharmaceutical Co Ltd	16,200	90,882	0.15%
Industrial & Commercial Bank of China Ltd	210,400	1,113,016	1.81%
Industrial Bank Co Ltd	81,069	1,211,171	1.97%
Industrial Securities Co Ltd	26,500	122,960	0.2%
New China Life Insurance Co Ltd	8,000	337,920	0.55%
Orient Securities Co Ltd	23,017	183,445	0.3%
Ping An Bank Co Ltd	66,200	620,956	1.01%
Ping An Insurance Group Co of China Ltd	42,300	2,373,030	3.87%
Shanghai Pudong Development Bank Co Ltd	114,500	1,122,100	1.83%
Shanxi Securities Co Ltd	11,800	69,856	0.11%
Shenwan Hongyuan Group Co Ltd	72,453	294,884	0.48%
Sinolink Securities Co Ltd	11,800	84,488	0.14%
SooChow Securities Co Ltd	11,600	77,720	0.13%
Western Securities Co Ltd	13,500	103,545	0.17%
<b>Health Care</b>			
Beijing Tongrentang Co Ltd	5,300	145,750	0.29%
China Resources Sanjiu Medical & Pharmaceutical Co Ltd	3,900	96,954	0.16%
Dong-E-E-Jiao Co Ltd	2,500	98,875	0.16%
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	5,480	195,965	0.32%



ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2018

	Holdings Shares	Market Value RMB	% of NAV
<b><u>Financial assets at fair value through profit or loss</u></b> <b>(continued)</b>			
<b><u>Listed securities (continued)</u></b>			
<b><u>China (continued)</u></b>			
<b>Health Care (continued)</b>			
Huadong Medicine Co Ltd	5,700	150,822	0.25%
Jiangsu Hengrui Medicine Co Ltd	14,410	760,128	1.24%
Jointown Pharmaceutical Group Co Ltd	7,200	105,120	0.17%
Kangmei Pharmaceutical Co Ltd	19,736	181,769	0.30%
Meinian Onehealth Healthcare Holdings Co Ltd	12,060	180,297	0.29%
Shandong Buchang Pharmaceuticals Co Ltd	3,390	85,699	0.14%
Shanghai Fosun Pharmaceutical Group Co Ltd	7,615	177,201	0.29%
Shanghai Pharmaceuticals Holding Co Ltd	7,200	122,400	0.2%
Shenzhen Salubris Pharmaceuticals Co Ltd	3,600	75,204	0.12%
Sichuan Kelun Pharmaceutical Co Ltd	5,600	115,640	0.19%
Tasly Pharmaceutical Group Co Ltd	5,880	112,896	0.18%
Tonghua Dongbao Pharmaceutical Co Ltd	8,002	111,228	0.18%
Yunnan Baiyao Group Co Ltd	4,000	295,840	0.48%
Zhangzhou Pientzehuang Pharmaceutical Co Ltd	2,300	199,295	0.32%
<b>Industrials</b>			
AECC Aviation Power Co Ltd	8,688	188,702	0.31%
Air China Ltd	18,000	137,520	0.23%
AVIC Aircraft Co Ltd	10,500	139,020	0.23%
AVIC Shenyang Aircraft Co Ltd	3,700	102,527	0.17%
China Avionics Systems Co Ltd	6,100	79,178	0.13%
China Communications Construction Co Ltd	10,400	117,104	0.19%
China Eastern Airlines Corp Ltd	32,000	152,000	0.25%
China Gezhouba Group Co Ltd	18,400	116,288	0.19%
China International Marine Containers Group Co Ltd	5,400	57,132	0.09%
China National Chemical Engineering Co Ltd	19,400	103,984	0.17%
China Railway Construction Corp Ltd	44,400	482,628	0.80%
China Shipbuilding Industry Co Ltd	88,300	375,275	0.62%
China Southern Airlines Co Ltd	33,200	220,448	0.36%
China Spacesat Co Ltd	4,400	76,208	0.13%
China State Construction Engineering Corp Ltd	163,860	934,002	1.54%
COSCO SHIPPING Development Co Ltd	30,600	69,768	0.12%
COSCO SHIPPING Holdings Co Ltd	30,600	123,624	0.20%
CRRC Corp Ltd	78,200	705,364	1.16%
Daqin Railway Co Ltd	57,400	472,402	0.78%
Dongfang Electric Corp Ltd	10,600	83,634	0.14%
Fangda Carbon New Material Co Ltd	6,900	115,299	0.19%
Guangshen Railway Co Ltd	21,900	69,204	0.11%
Han's Laser Technology Industry Group Co Ltd	4,100	124,476	0.20%
Luxshare Precision Industry Co Ltd	15,750	221,445	0.36%

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2018

	Holdings Shares	Market Value RMB	% of NAV
<b><u>Financial assets at fair value through profit or loss</u></b>			
<b>(continued)</b>			
<b><u>Listed securities (continued)</u></b>			
<b><u>China (continued)</u></b>			
<b>Industrials (continued)</b>			
Metallurgical Corp of China Ltd	68,900	214,279	0.35%
NARI Technology Co Ltd	17,800	329,834	0.54%
Power Construction Corp of China Ltd	40,010	194,449	0.32%
Sany Heavy Industry Co Ltd	29,800	248,532	0.41%
SF Holding Co Ltd	4,500	147,375	0.24%
Shanghai Electric Group Co Ltd	30,416	150,255	0.25%
Shanghai International Airport Co Ltd	3,800	192,888	0.32%
Shanghai International Port Group Co Ltd	32,800	169,904	0.28%
Shanghai Tunnel Engineering Co Ltd	12,800	80,128	0.13%
Spring Airlines Co Ltd	2,900	92,249	0.15%
Suzhou Gold Mantis Construction Decoration Co Ltd	10,800	87,480	0.14%
TBEA Co Ltd	14,700	99,813	0.16%
Tus-Sound Environmental Resources Co Ltd	5,560	57,768	0.10%
Weichai Power Co Ltd	23,700	182,490	0.30%
XCMG Construction Machinery Co Ltd	30,200	97,546	0.16%
Xiamen C & D Inc	10,900	76,845	0.13%
Xinjiang Goldwind Science & Technology Co Ltd	11,400	113,886	0.19%
Zhejiang Chint Electrics Co Ltd	8,300	201,192	0.33%
Zhengzhou Yutong Bus Co Ltd	8,500	100,725	0.17%
Zoomlion Heavy Industry Science and Technology Co Ltd	26,200	93,272	0.15%
<b>Information Technology</b>			
360 Security Technology Inc	5,200	105,923	0.18%
Aisino Corp	7,200	164,808	0.27%
Beijing Shiji Information Technology Co Ltd	3,400	88,264	0.15%
BOE Technology Group Co Ltd	130,700	343,741	0.57%
DHC Software Co Ltd	12,400	86,180	0.14%
Dongxu Optoelectronic Technology Co Ltd	22,100	99,450	0.16%
Focus Media Information Technology Co Ltd	47,166	247,150	0.41%
GoerTek Inc	12,600	86,688	0.14%
Guangzhou Haige Communications Group Inc Co	9,700	75,660	0.13%
Hangzhou Hikvision Digital Technology Co Ltd	35,963	926,407	1.53%
Hengtong Optic-electric Co Ltd	7,360	125,488	0.21%
Hundsun Technologies Inc	2,500	129,950	0.21%
Iflytek Co Ltd	8,200	202,048	0.33%
LONGI Green Energy Technology Co Ltd	10,600	184,864	0.31%
Ninestar Corp	2,700	61,884	0.10%
O-film Tech Co Ltd	10,800	99,252	0.16%
Sanan Optoelectronics Co Ltd	15,700	177,567	0.29%

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2018

	Holdings Shares	Market Value RMB	% of NAV
<b><u>Financial assets at fair value through profit or loss</u></b> <b>(continued)</b>			
<b><u>Listed securities (continued)</u></b>			
<b><u>China (continued)</u></b>			
<b>Information Technology (continued)</b>			
Shanghai 2345 Network Holding Group Co Ltd	17,090	63,062	0.10%
Tianma Microelectronics Co Ltd	8,000	78,480	0.13%
Unisplendour Corp Ltd	2,560	80,026	0.13%
Yonyou Network Technology Co Ltd	7,500	159,750	0.26%
Zhejiang Dahua Technology Co Ltd	11,400	130,644	0.21%
ZTE Corp	13,400	262,506	0.43%
<b>Materials</b>			
Angang Steel Co Ltd	15,800	81,054	0.13%
Anhui Conch Cement Co Ltd	15,400	450,912	0.74%
Baoshan Iron & Steel Co Ltd	71,600	465,400	0.76%
BBMG Corp Ltd	32,400	113,400	0.19%
China Molybdenum Co Ltd	68,200	256,432	0.42%
China Northern Rare Earth Group High-Tech Co Ltd	14,000	122,780	0.20%
Hengli Petrochemical Co Ltd	8,500	112,625	0.18%
Hesteel Co Ltd	42,000	119,280	0.20%
Inner Mongolia BaoTou Steel Union Co Ltd	150,300	222,444	0.37%
Jiangxi Copper Co Ltd	8,200	107,912	0.18%
Jiangxi Ganfeng Lithium Co Ltd	4,350	96,048	0.16%
Jinduicheng Molybdenum Co Ltd	11,000	65,120	0.11%
Maanshan Iron & Steel Co Ltd	23,000	79,580	0.13%
Rongsheng Petro Chemical Co Ltd	11,150	112,504	0.18%
Shandong Gold Mining Co Ltd	7,200	217,800	0.36%
Shenzhen Zhongjin Lingnan Nonfemet Co Ltd	14,800	58,608	0.10%
Sinopec Shanghai Petrochemical Co Ltd	19,000	94,810	0.16%
Tianqi Lithium Corp	4,400	129,008	0.21%
Tongling Nonferrous Metals Group Co Ltd	41,700	82,149	0.14%
Zhejiang Huayou Cobalt Co Ltd	3,320	99,965	0.16%
Zhejiang Longsheng Group Co Ltd	12,600	121,590	0.20%
Zhongjin Gold Corp Ltd	13,900	119,262	0.20%
Zijin Mining Group Co Ltd	68,400	228,456	0.37%
<b>Real Estate</b>			
China Fortune Land Development Co Ltd	11,400	290,130	0.48%
China Merchants Shekou Industrial Zone Holdings Co Ltd	25,400	440,690	0.72%
China Vanke Co Ltd	37,900	902,778	1.49%
Financial Street Holdings Co Ltd	12,129	78,111	0.13%

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2018

	Holdings Shares	Market Value RMB	% of NAV
<b><u>Financial assets at fair value through profit or loss</u></b>			
<b>(continued)</b>			
<b><u>Listed securities (continued)</u></b>			
<b><u>China (continued)</u></b>			
<b>Real Estate (continued)</b>			
Gemdale Corp	17,700	170,274	0.28%
Greenland Holdings Corp Ltd	31,300	191,243	0.31%
Jinke Properties Group Co Ltd	21,100	130,609	0.21%
Poly Developments and Holdings Group Co Ltd	45,800	539,982	0.89%
RiseSun Real Estate Development Co Ltd	17,400	138,330	0.23%
Seazen Holdings Co Ltd	8,800	208,472	0.34%
Xinhu Zhongbao Co Ltd	33,800	98,020	0.16%
Youngor Group Co Ltd	14,080	101,235	0.17%
Zhejiang China Commodities City Group Co Ltd	21,900	76,431	0.13%
<b>Utilities</b>			
Beijing Capital Co Ltd	21,900	75,117	0.12%
China National Nuclear Power Co Ltd	40,000	210,800	0.35%
China Yangtze Power Co Ltd	56,600	898,808	1.48%
GD Power Development Co Ltd	76,400	195,584	0.32%
Huadian Power International Corp Ltd	32,300	153,425	0.25%
Huaneng Power International Inc	19,219	141,836	0.23%
Hubei Energy Group Co Ltd	18,200	66,794	0.11%
SDIC Power Holdings Co Ltd	26,400	212,520	0.35%
Shenergy Co Ltd	18,000	87,840	0.15%
Shenzhen Energy Group Co Ltd	12,700	66,675	0.11%
Sichuan Chuantou Energy Co Ltd	16,955	147,000	0.24%
Zhejiang Zheneng Electric Power Co Ltd	36,200	171,226	0.28%
TOTAL INVESTMENTS, AT FAIR VALUE		60,772,582	100.00%
TOTAL INVESTMENTS, AT COST		82,332,429	

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO

For the period from 7 February 2018 (date of inception) to 31 December 2018

INVESTMENTS	Holdings as at 7 February 2018 (date of inception)	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2018
<b><u>Financial assets at fair value through profit or loss</u></b>					
<b>Listed securities</b>					
360 Security Technology Inc	—	5,200	—	—	5,200
AECC Aviation Power Co Ltd	—	18,588	—	9,900	8,688
Agricultural Bank of China Ltd	—	633,600	—	342,900	290,700
Air China Ltd	—	35,900	—	17,900	18,000
Aisino Corp	—	15,800	—	8,600	7,200
Angang Steel Co Ltd	—	34,000	—	18,200	15,800
Anhui Conch Cement Co Ltd	—	34,000	—	18,600	15,400
Anxin Trust Co Ltd	—	38,000	7,100	23,300	21,800
AVIC Aircraft Co Ltd	—	23,000	—	12,500	10,500
AVIC Capital Co Ltd	—	74,500	—	39,700	34,800
AVIC Shenyang Aircraft Co Ltd	—	4,100	—	400	3,700
Bank of Beijing Co Ltd	—	179,200	—	97,600	81,600
Bank of China Ltd	—	416,900	—	227,200	189,700
Bank of Communications Co Ltd	—	330,400	—	177,200	153,200
Bank of Guiyang Co Ltd	—	19,100	—	10,000	9,100
Bank of Hangzhou Co Ltd	—	29,400	11,760	21,400	19,760
Bank of Jiangsu Co Ltd	—	95,700	—	50,500	45,200
Bank of Nanjing Co Ltd	—	70,300	—	37,600	32,700
Bank of Ningbo Co Ltd	—	41,958	—	22,400	19,558
Bank of Shanghai Co Ltd	—	62,600	17,440	37,900	42,140
Baoshan Iron & Steel Co Ltd	—	156,100	—	84,500	71,600
BBMG Corp	—	69,100	—	36,700	32,400
Beijing Capital Co Ltd	—	41,800	—	19,900	21,900
Beijing Dabeinong Technology Group Co Ltd	—	34,000	—	17,000	17,000
Beijing Shiji Information Technology Co Ltd	—	7,400	—	4,000	3,400
Beijing Tongrentang Co Ltd	—	11,300	—	6,000	5,300
BOE Technology Group Co Ltd	—	287,000	—	156,300	130,700
BYD Co Ltd	—	15,000	—	7,900	7,100
Changjiang Securities Co Ltd	—	45,800	—	23,700	22,100
China Avionics Systems Co Ltd	—	12,200	—	6,100	6,100
China CITIC Bank Corp Ltd	—	47,000	—	24,800	22,200
China Communications Construction Co Ltd	—	22,800	—	12,400	10,400
China Construction Bank Corp	—	79,500	—	42,500	37,000
China Eastern Airlines Corp Ltd	—	67,700	—	35,700	32,000
China Everbright Bank Co Ltd	—	337,500	—	183,900	153,600
China Film Co Ltd	—	15,400	—	7,800	7,600
China Fortune Land Development Co Ltd	—	24,400	—	13,000	11,400
China Gezhouba Group Co Ltd	—	38,200	—	19,800	18,400
China Grand Automotive Services Co Ltd	—	44,908	—	23,300	21,608
China International Marine Containers Group Co Ltd	—	10,500	—	5,100	5,400
China International Travel Service Corp Ltd	—	16,448	—	8,900	7,548

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 7 February 2018 (date of inception) to 31 December 2018

INVESTMENTS (continued)	Holdings as at 7 February 2018 (date of inception)	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2018
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
China Life Insurance Co Ltd	—	23,094	—	12,600	10,494
China Merchants Bank Co Ltd	—	179,912	—	99,400	80,512
China Merchants Securities Co Ltd	—	47,397	—	25,100	22,297
China Merchants Shekou Industrial Zone Holdings Co Ltd	—	55,800	—	30,400	25,400
China Minsheng Banking Corp Ltd	—	247,300	47,560	158,000	136,860
China Molybdenum Co Ltd	—	98,900	—	30,700	68,200
China National Chemical Engineering Co Ltd	—	39,600	—	20,200	19,400
China National Nuclear Power Co Ltd	—	107,500	—	67,500	40,000
China Northern Rare Earth Group High- Tech Co Ltd	—	30,200	—	16,200	14,000
China Pacific Insurance Group Co Ltd	—	53,300	—	28,900	24,400
China Petroleum & Chemical Corp	—	216,000	—	117,700	98,300
China Railway Construction Corp Ltd	—	95,400	—	51,000	44,400
China Resources Sanjiu Medical & Pharmaceutical Co Ltd	—	8,100	—	4,200	3,900
China Shenhua Energy Co Ltd	—	19,100	—	2,000	17,100
China Shipbuilding Industry Co Ltd	—	88,300	—	—	88,300
China Shipbuilding Industry Group Power Co Ltd	—	14,400	—	7,700	6,700
China South Publishing & Media Group Co Ltd	—	14,900	—	8,000	6,900
China Southern Airlines Co Ltd	—	63,900	—	30,700	33,200
China Spacesat Co Ltd	—	9,800	—	5,400	4,400
China State Construction Engineering Corp Ltd	—	256,200	96,560	188,900	163,860
China United Network Communications Ltd	—	135,100	—	14,400	120,700
China Vanke Co Ltd	—	81,800	—	43,900	37,900
China Yangtze Power Co Ltd	—	122,800	—	66,200	56,600
Chinese Universe Publishing and Media Group Co Ltd	—	11,400	—	6,100	5,300
Chongqing Changan Automobile Co Ltd	—	32,300	—	16,400	15,900
CITIC Guoan Information Industry Co Ltd	—	32,600	—	17,800	14,800
CITIC Securities Co Ltd	—	83,300	—	45,300	38,000
COSCO SHIPPING Development Co Ltd	—	65,800	—	35,200	30,600
COSCO SHIPPING Holdings Co Ltd	—	63,300	—	32,700	30,600
CRRC Corp Ltd	—	203,700	—	125,500	78,200
Daqin Railway Co Ltd	—	123,300	—	65,900	57,400
DHC Software Co Ltd	—	26,100	—	13,700	12,400
Dong-E-E-Jiao Co Ltd	—	6,000	—	3,500	2,500
Dongfang Electric Corp Ltd	—	10,600	—	—	10,600
Dongxing Securities Co Ltd	—	19,000	—	10,100	8,900
Dongxu Optoelectronic Technology Co Ltd	—	45,400	—	23,300	22,100
Everbright Securities Co Ltd	—	32,400	—	17,000	15,400

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 7 February 2018 (date of inception) to 31 December 2018

INVESTMENTS (continued)	Holdings as at 7 February 2018 (date of inception)	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2018
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Fangda Carbon New Material Co Ltd	—	14,800	—	7,900	6,900
Financial Street Holdings Co Ltd	—	24,729	—	12,600	12,129
First Capital Securities Co Ltd	—	29,100	—	14,900	14,200
Focus Media Information Technology Co Ltd	—	81,722	16,344	50,900	47,166
Foshan Haitian Flavouring & Food Co Ltd	—	18,651	—	10,000	8,651
Founder Securities Co Ltd	—	68,300	—	36,000	32,300
Fuyao Glass Industry Group Co Ltd	—	16,600	—	9,000	7,600
GD Power Development Co Ltd	—	85,600	—	9,200	76,400
Gemdale Corp	—	37,400	—	19,700	17,700
GF Securities Co Ltd	—	49,100	—	26,300	22,800
Giant Network Group Co Ltd	—	11,200	—	6,000	5,200
GoerTek Inc	—	26,900	—	14,300	12,600
Gree Electric Appliances Inc of Zhuhai	—	24,894	—	13,300	11,594
Greenland Holdings Corp Ltd	—	65,100	—	33,800	31,300
Guangshen Railway Co Ltd	—	46,900	—	25,000	21,900
Guangzhou Automobile Group Co Ltd	—	12,600	5,040	9,400	8,240
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	—	11,580	—	6,100	5,480
Guangzhou Haige Communications Group Inc Co	—	19,200	—	9,500	9,700
Guosen Securities Co Ltd	—	34,000	—	17,900	16,100
Guotai Junan Securities Co Ltd	—	62,300	—	33,300	29,000
Guoyuan Securities Co Ltd	—	27,900	—	14,400	13,500
Haitong Securities Co Ltd	—	67,100	—	35,400	31,700
Hangzhou Hikvision Digital Technology Co Ltd	—	80,163	—	44,200	35,963
Hangzhou Robam Appliances Co Ltd	—	7,800	—	4,100	3,700
Han's Laser Technology Industry Group Co Ltd	—	9,400	—	5,300	4,100
Henan Shuanghui Investment & Development Co Ltd	—	22,800	—	12,400	10,400
Hengli Petrochemical Co Ltd	—	9,500	—	1,000	8,500
Hengtong Optic-electric Co Ltd	—	11,600	4,360	8,600	7,360
Hesteel Co Ltd	—	88,100	—	46,100	42,000
HLA Corp Ltd	—	18,100	—	8,600	9,500
Huaan Securities Co Ltd	—	29,100	—	14,700	14,400
Huadian Power International Corp Ltd	—	67,600	—	35,300	32,300
Huadong Medicine Co Ltd	—	8,000	3,900	6,200	5,700
Huaneng Power International Inc	—	40,619	—	21,400	19,219
Huatai Securities Co Ltd	—	52,200	—	26,800	25,400
Huaxia Bank Co Ltd	—	106,300	—	56,800	49,500
Huayu Automotive Systems Co Ltd	—	26,180	—	14,200	11,980

ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 7 February 2018 (date of inception) to 31 December 2018

INVESTMENTS (continued)	Holdings as at 7 February 2018 (date of inception)	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2018
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Hubei Biocause Pharmaceutical Co Ltd	—	34,100	—	17,900	16,200
Hubei Energy Group Co Ltd	—	35,900	—	17,700	18,200
Hundsun Technologies Inc	—	5,100	—	2,600	2,500
Iflytek Co Ltd	—	11,700	5,400	8,900	8,200
Industrial & Commercial Bank of China Ltd	—	469,200	—	258,800	210,400
Industrial Bank Co Ltd	—	180,869	—	99,800	81,069
Industrial Securities Co Ltd	—	55,500	—	29,000	26,500
Inner Mongolia BaoTou Steel Union Co Ltd	—	315,000	—	164,700	150,300
Inner Mongolia Yili Industrial Group Co Ltd	—	51,431	—	27,800	23,631
Jiangsu Hengrui Medicine Co Ltd	—	30,580	6,930	23,100	14,410
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	—	13,268	—	7,400	5,868
Jiangxi Copper Co Ltd	—	17,200	—	9,000	8,200
Jiangxi Ganfeng Lithium Co Ltd	—	6,700	2,950	5,300	4,350
Jinduicheng Molybdenum Co Ltd	—	22,300	—	11,300	11,000
Jinke Properties Group Co Ltd	—	44,300	—	23,200	21,100
Jointown Pharmaceutical Group Co Ltd	—	15,500	—	8,300	7,200
Kangmei Pharmaceutical Co Ltd	—	41,236	—	21,500	19,736
Kweichow Moutai Co Ltd	—	10,900	—	6,000	4,900
Liaoning Cheng Da Co Ltd	—	12,700	—	7,100	5,600
LONGi Green Energy Technology Co Ltd	—	16,600	6,400	12,400	10,600
Luxshare Precision Industry Co Ltd	—	26,300	5,250	15,800	15,750
Luzhou Laojiao Co Ltd	—	11,800	—	6,200	5,600
Maanshan Iron & Steel Co Ltd	—	49,500	—	26,500	23,000
Meinian Onehealth Healthcare Holdings Co Ltd	—	20,800	4,160	12,900	12,060
Metallurgical Corp of China Ltd	—	147,700	—	78,800	68,900
Midea Group Co Ltd	—	56,700	—	31,000	25,700
Muyuan Foodstuff Co Ltd	—	7,920	6,176	7,400	6,696
NARI Technology Co Ltd	—	20,000	—	2,200	17,800
New China Life Insurance Co Ltd	—	17,300	—	9,300	8,000
New Hope Liuhe Co Ltd	—	34,900	—	18,000	16,900
Ninestar Corp	—	6,100	—	3,400	2,700
Offshore Oil Engineering Co Ltd	—	36,700	—	19,100	17,600
O-film Tech Co Ltd	—	22,600	—	11,800	10,800
Oppein Home Group Inc	—	1,100	—	—	1,100
Orient Securities Co Ltd/China	—	49,317	—	26,300	23,017
Perfect World Co Ltd/China	—	7,100	—	3,700	3,400
PetroChina Co Ltd	—	133,186	—	70,700	62,486
Ping An Bank Co Ltd	—	145,500	—	79,300	66,200
Ping An Insurance Group Co of China Ltd	—	94,200	—	51,900	42,300
Poly Developments and Holdings Group Co Ltd	—	100,500	—	54,700	45,800



ChinaAMC MSCI China A Inclusion Index ETF  
(a sub-fund of ChinaAMC ETF Series)

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 7 February 2018 (date of inception) to 31 December 2018

INVESTMENTS (continued)	Holdings as at 7 February 2018 (date of inception)	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2018
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Power Construction Corp of China Ltd	—	84,410	—	44,400	40,010
Qingdao Haier Co Ltd	—	50,600	—	27,000	23,600
RiseSun Real Estate Development Co Ltd	—	36,000	—	18,600	17,400
Rongsheng Petro Chemical Co Ltd	—	21,400	10,250	20,500	11,150
SAIC Motor Corp Ltd	—	65,128	—	35,100	30,028
Sanan Optoelectronics Co Ltd	—	33,800	—	18,100	15,700
Sany Heavy Industry Co Ltd	—	63,300	—	33,500	29,800
SDIC Power Holdings Co Ltd	—	56,200	—	29,800	26,400
Seazen Holdings Co Ltd	—	18,700	—	9,900	8,800
SF Holding Co Ltd	—	4,500	—	—	4,500
Shaanxi Coal Industry Co Ltd	—	53,700	—	28,000	25,700
Shandong Buchang Pharmaceuticals Co Ltd	—	5,800	990	3,400	3,390
Shandong Gold Mining Co Ltd	—	15,400	—	8,200	7,200
Shandong Linglong Tyre Co Ltd	—	4,400	—	400	4,000
Shanghai 2345 Network Holding Group Co Ltd	—	27,300	8,190	18,400	17,090
Shanghai Electric Group Co Ltd	—	63,016	—	32,600	30,416
Shanghai Fosun Pharmaceutical Group Co Ltd	—	16,615	—	9,000	7,615
Shanghai International Airport Co Ltd	—	8,000	—	4,200	3,800
Shanghai International Port Group Co Ltd	—	76,100	—	43,300	32,800
Shanghai Oriental Pearl Group Co Ltd	—	21,866	4,399	13,000	13,265
Shanghai Pharmaceuticals Holding Co Ltd	—	16,000	—	8,800	7,200
Shanghai Pudong Development Bank Co Ltd	—	247,900	—	133,400	114,500
Shanghai Tunnel Engineering Co Ltd	—	26,100	—	13,300	12,800
Shanxi Lu'an Environmental Energy Development Co Ltd	—	24,790	—	12,600	12,190
Shanxi Securities Co Ltd	—	23,500	—	11,700	11,800
Shanxi Xinghuacun Fen Wine Factory Co Ltd	—	7,300	—	4,000	3,300
Shanxi Xishan Coal & Electricity Power Co Ltd	—	26,100	—	13,900	12,200
Shenergy Co Ltd	—	37,800	—	19,800	18,000
Shenwan Hongyuan Group Co Ltd	—	155,553	—	83,100	72,453
Shenzhen Energy Group Co Ltd	—	27,400	—	14,700	12,700
Shenzhen Overseas Chinese Town Co Ltd	—	68,100	—	36,000	32,100
Shenzhen Salubris Pharmaceuticals Co Ltd	—	8,600	—	5,000	3,600
Shenzhen Zhongjin Lingnan Nonfemet Co Ltd	—	20,100	9,600	14,900	14,800
Sichuan Chuantou Energy Co Ltd	—	36,455	—	19,500	16,955
Sichuan Kelun Pharmaceutical Co Ltd	—	11,600	—	6,000	5,600
Sinolink Securities Co Ltd	—	25,100	—	13,300	11,800
Sinopec Shanghai Petrochemical Co Ltd	—	40,400	—	21,400	19,000

ChinaAMC MSCI China A Inclusion Index ETF  
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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 7 February 2018 (date of inception) to 31 December 2018

INVESTMENTS (continued)	Holdings as at 7 February 2018 (date of inception)	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2018
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
SooChow Securities Co Ltd	—	24,900	—	13,300	11,600
Spring Airlines Co Ltd	—	4,900	—	2,000	2,900
Suning.com Co Ltd	—	77,200	—	41,300	35,900
Suzhou Gold Mantis Construction Decoration Co Ltd	—	21,900	—	11,100	10,800
Tasly Pharmaceutical Group Co Ltd	—	9,400	3,480	7,000	5,880
TBEA Co Ltd	—	30,800	—	16,100	14,700
TCL Corp	—	59,000	—	6,200	52,800
Tianma Microelectronics Co Ltd	—	16,500	—	8,500	8,000
Tianqi Lithium Corp	—	9,800	—	5,400	4,400
Tonghua Dongbao Pharmaceutical Co Ltd	—	16,502	—	8,500	8,002
Tongling Nonferrous Metals Group Co Ltd	—	87,200	—	45,500	41,700
Tongwei Co Ltd	—	31,200	—	15,600	15,600
Tsingtao Brewery Co Ltd	—	6,300	—	3,600	2,700
Tus-Sound Environmental Resources Co Ltd	—	8,400	3,360	6,200	5,560
Unisplendour Corp Ltd	—	4,800	1,560	3,800	2,560
Wanxiang Qianchao Co Ltd	—	22,800	—	11,300	11,500
Weichai Power Co Ltd	—	50,200	—	26,500	23,700
Weifu High-Technology Group Co Ltd	—	6,900	—	3,400	3,500
Western Securities Co Ltd	—	29,000	—	15,500	13,500
Wuhu Shunrong Sanqi Interactive Entertainment Network Technology Co Ltd	—	12,500	—	5,700	6,800
Wuliangye Yibin Co Ltd	—	32,200	—	17,200	15,000
XCMG Construction Machinery Co Ltd	—	62,100	—	31,900	30,200
Xiamen C & D Inc	—	23,500	—	12,600	10,900
Xinhu Zhongbao Co Ltd	—	71,300	—	37,500	33,800
Xinjiang Goldwind Science & Technology Co Ltd	—	24,100	—	12,700	11,400
Yonghui Superstores Co Ltd	—	79,400	—	42,500	36,900
Yonyou Network Technology Co Ltd	—	8,300	—	800	7,500
Youngor Group Co Ltd	—	29,680	—	15,600	14,080
Yunnan Baiyao Group Co Ltd	—	8,400	—	4,400	4,000
Zhangzhou Pientzehuang Pharmaceutical Co Ltd	—	4,900	—	2,600	2,300
Zhejiang China Commodities City Group Co Ltd	—	45,100	—	23,200	21,900
Zhejiang Chint Electrics Co Ltd	—	17,300	—	9,000	8,300
Zhejiang Dahua Technology Co Ltd	—	24,000	—	12,600	11,400
Zhejiang Huayou Cobalt Co Ltd	—	4,800	1,920	3,400	3,320
Zhejiang Longsheng Group Co Ltd	—	27,000	—	14,400	12,600
Zhejiang Semir Garment Co Ltd	—	6,900	—	—	6,900
Zhejiang Zheneng Electric Power Co Ltd	—	75,200	—	39,000	36,200

ChinaAMC MSCI China A Inclusion Index ETF  
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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 7 February 2018 (date of inception) to 31 December 2018

INVESTMENTS (continued)	Holdings as at 7 February 2018 (date of inception)	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2018
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Zhengzhou Yutong Bus Co Ltd	–	18,300	–	9,800	8,500
Zhongjin Gold Corp Ltd	–	28,600	–	14,700	13,900
Zijin Mining Group Co Ltd	–	143,300	–	74,900	68,400
Zoomlion Heavy Industry Science and Technology Co Ltd	–	51,700	–	25,500	26,200
ZTE Corp	–	42,700	–	29,300	13,400

ChinaAMC MSCI China A Inclusion Index ETF  
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PERFORMANCE RECORD

For the period from 7 February 2018 (date of inception) to 31 December 2018

**1. NET ASSET VALUE (calculated in accordance with the Sub-Fund's Trust Deed)**

	Net assets attributable to unitholders RMB	Net asset value per unit RMB
As at: 31 December 2018	61,332,426	7.2156

**2. HIGHEST ISSUE AND LOWEST REDEMPTION PRICES PER UNIT<sup>A</sup>**

	Highest issue unit price RMB	Lowest redemption unit price RMB
During the period from 7 February 2018 (date of inception) to 31 December 2018	9.7367	7.1567

**3. COMPARISON OF THE SCHEME PERFORMANCE AND THE ACTUAL INDEX PERFORMANCE<sup>A</sup>**

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

	The Index (since 7 February 2018)	RMB counter of the Sub-Fund (since 7 February 2018)	HKD counter of the Sub-Fund (since 7 February 2018)
During the period from 7 February 2018 (date of inception) to 31 December 2018	-24.80%	-26.44%	-31.77%

<sup>A</sup> Past performance figures shown are not indicative of the future performance of the Sub-Fund.

