

平成 26 年 12 月期 決算短信 (平成 26 年 1 月 1 日～平成 26 年 12 月 31 日)
Earnings Report for Fiscal Year ended December 2014 (January 1, 2014 – December 31, 2014)

平成 27 年 5 月 7 日

May 7, 2015

フ ァ ン ド 名 南方 FTSE 中国 A 株 50 ETF 上場取引所 東
コ ー ド 番 号 1576 売買単位 10 口
連 動 対 象 指 標 FTSE 中国 A50 インデックス
主 要 投 資 資 産 株式
管 理 会 社 中国南方アセット・マネジメント・リミテッド
U R L <http://www.csopasset.com/en/home/index.php>
代 表 者 (役職名) 最高経営責任者 (氏名) 丁 晨
問合せ先責任者 (役職名) アンダーソン・毛利・友 (氏名) 平川 修 (TEL)03(6888)1000
常法律事務所 弁護士

Fund name: CSOP FTSE China A50 ETF Listed Exchange: TSE
Code: 1576 Trading unit: 10 units
Underlying indicator: FTSE China A50 Index
Primary invested assets: Shares
Management co.: CSOP Asset Management Limited
URL: <http://www.csopasset.com/en/home/index.php>
Representative: (Title) Chief Executive Officer (Name) Ding Chen
Contact person: (Title) Anderson Mori & Tomotsune, (Name) Osamu Hirakawa (TEL)03(6888)1000
Attorney-at-law

有価証券報告書提出予定日 平成 27 年 6 月
Scheduled submission date of Annual Securities June 2015
Report:

I ファンドの運用状況

I Fund Management

- 平成 26 年 12 月期の運用状況 (平成 26 年 1 月 1 日～平成 26 年 12 月 31 日)
- Management Status for Fiscal Year ended December 2014 (from January 1, 2014 to December 31, 2014)

(1) 信託財産である外国 ETF の資産内訳

(百万円未満切捨て)

(1) Assets of Trust Asset Foreign ETF

(amounts below 1 mil. yen are discarded)

	主要投資資産 Primary Invested Assets		現金・預金・その他の資産 (負債控除後) Cash/Deposits/Other Assets (excluding liabilities)		合計 (純資産) Total (Net Assets)	
	金額 Amount	構成比 ratio	金額 Amount	構成比 ratio	金額 Amount	構成比 ratio
	百万円 JPY mil.	%	百万円 JPY mil.	%	百万円 JPY mil.	%
26 年 12 月期 FY ended December 2014	578,555	99.99	27	0.01	578,575	100
25 年 12 月期 FY ended December 2013	398,457	99.68	1,294	0.32	399,750	100

(2) 信託財産である外国 ETF の設定・交換実績

(2) Creation and Redemption of Trust Asset Foreign ETF

	前計算期間末発行済口数 No. of Issued Units at End of Previous Calculation Period (①)	設定口数 No. of Units Created (②)	交換口数 No. of Units Redeemed (③)	当計算期間末発行済口数 No. of Issued Units at End of Calculation Period (①+②-③)
	千口 '000 units	千口 '000 units	千口 '000 units	千口 '000 units
26 年 12 月期 FY ended December 2014	2,920,000	2,877,500	3,148,000	2,649,500
25 年 12 月期 FY ended December 2013	2,023,500	1,070,000	173,500	2,920,000

(3) 信託財産である外国 ETF の基準価額

(3) Net Asset Value of Trust Asset Foreign ETF

	総資産 Total Assets (①)	負債 Liabilities (②)	純資産 Net Assets (③(①-②))	1 口当たり基準価額 ((③/当計算期間末 (前計算期間末) 発 行済口数)×1) Net Asset Value per 1 unit ((③/No. of Issued Units at End of Calculation Period (Previous Calculation Period))×1)
	百万円 JPY mil.	百万円 JPY mil.	百万円 JPY mil.	円 JPY
26 年 12 月期 FY ended December 2014	599,823	21,248	578,575	218
25 年 12 月期 FY ended December 2013	403,610	3,860	399,750	137

(4) 上場外国 ETF 信託受益証券に係る設定・交換実績

(4) Creation and Redemption of Listed Foreign ETF Trust Beneficiary Certificates (JDR)

	前計算期間末発行済口数 No. of Issued Units at End of Previous Calculation Period (①)	設定口数 No. of Units Created (②)	交換口数 No. of Units Redeemed (③)	当計算期間末発行済口数 No. of Issued Units at End of Calculation Period (①+②-③)
	千口 '000 units	千口 '000 units	千口 '000 units	千口 '000 units
26 年 12 月期 FY ended December 2014	1,400	0	800	600

(5) 上場外国 ETF 信託受益証券の分配金

(5) Dividend Payment of Listed Foreign ETF Trust Beneficiary Certificates (JDR)

	1 口当たり分配金 Dividend per 1 unit
	円 JPY
26 年 12 月期 FY ended December 2014	14
25 年 12 月期 FY ended December 2013	6

※上場外国 ETF 信託受益証券は平成 25 年 2 月 25 日に新規に発行されたため、平成 25 年 12 月期の実績は同日に開始した期間の実績を示します。

※Since the Listed Foreign ETF Trust Beneficiary Certificates (JDR) were issued on February 25, 2013, the figures for the FY ended December 2013 indicate the results of the year commenced on February 25, 2013.

注) 日本円への換算は、1 人民元 = 19.16 円 (平成 27 年 4 月 30 日東京時間午後 5 時現在のブルームバーグによる米国ドル/人民元 (CNH) 及び米国ドル/日本円の仲値) により計算されています。

Note: Conversion into Japanese yen has been calculated at the exchange rate of RMB 1.00 = JPY 19.16, which represents the middle rates for USD-RMB and USD-JPY as of 17:00 Tokyo time on April 30, 2015 as published by Bloomberg.

2. 信託財産である外国 ETF の会計方針の変更

2. Change in Accounting Policies of Trust Asset Foreign ETF

- | | |
|--|------|
| (1) 会計基準等の改正に伴う会計方針の変更 | : 無 |
| (1)Changes accompanying revision to accounting standards, etc. | : No |
| (2) ①以外の会計方針の変更 | : 無 |
| (2)Changes other than those in ① | : No |



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

CSOP FTSE CHINA A50 ETF
(A sub-fund of CSOP ETF Series)

Reports and Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2014



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

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

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

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

The CSOP A50 ETF is a physical ETF which invests directly in the A50 Index securities through the RQFII quotas of the Manager and Shanghai-Hong Kong Stock Connect. Under current regulations in the PRC, foreign investors can invest in the domestic securities market through certain qualified foreign institutional investors that have obtained status as a QFII or a RQFII from the CSRC and have been granted quota(s) by SAFE to remit foreign freely convertible currencies (in the case of a QFII) and RMB (in the case of a RQFII) into the PRC for the purpose of investing in the PRC’s domestic securities markets. Meanwhile, from November 17, 2014, foreign investors can trade eligible stocks listed in Shanghai Stock Exchange through Shanghai-Hong Kong Stock Connect. The Manager has obtained RQFII status and the total RQFII quotas obtained by the Manager amount to RMB46.1 billion as of 31 December 2014. The Manager also traded A shares listed in Shanghai Stock Exchange through Shanghai-Hong Kong Stock Connect.

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

Capital Gains Tax (“CGT”) Treatment

Rules governing taxes on capital gains derived by QFIIs or RQFIIs from the trading of PRC Securities (including China A-Shares) was announced on November 14, 2014. According to the rules, investors are required to pay capital gain tax derived from realized equity investment gain before November 14, 2014. And investors are not required to pay capital gain tax from November 17, 2014. Therefore, the Manager provisioned to withhold 10% of realised capital gains since inception date of the CSOP A50 ETF to November 14, 2014 and reversed previously provided withholding tax on unrealized capital gain back to the fund. The Manager did not provision any withholding tax after November 17 2014.

Fund Performance

The CSOP A50 ETF seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As of 31 December 2014, the dealing Net Asset Value (“NAV”) per unit of the CSOP A50 ETF was RMB11.3976 and there were 2,649,500,000 units outstanding. The total asset under management was approximately RMB30.20billion.

For the year ended 31 December 2014, the NAV of CSOP A50 ETF RMB counter (stock code 82822) performed 59.51% while the index performed 62.19%. The difference in performance between the NAV of the CSOP A50 ETF and the Index is mainly attributed to dividends, fees and expenses, including tax on dividends and CGT withholding. YTD Price return of the RMB counter (stock code 82822) was 55.18%.

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

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

Exchange Liquidity

Since inception, the CSOP A50 ETF has attracted great investor attention from investors across the globe. The trading value of the RMB counter (stock code: 82822) remained steadily at an average daily turnover of RMB 241million in December 2014. The trading value of the HKD counter (stock code: 02822) remained steadily at an average daily turnover of HKD4.735 billion in December 2014. The fund's high liquidity often placed it in the top 3 most heavily traded ETFs on the SEHK. The trading volume for the CSOP A50 ETF reflected strong interest in the CSOP A50 ETF.

Portfolio Rebalance

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

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

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of the CSOP FTSE China A50 ETF (the “Sub-Fund”), a sub-fund of CSOP ETF Series, has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 25 July 2012, as amended, for the year ended 31 December 2014.

HSBC Institutional Trust Services (Asia) Limited
24 April 2015

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

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER’S RESPONSIBILITIES

The Manager of the CSOP FTSE China A50 ETF (the “Sub-Fund”), a sub-fund of CSOP ETF Series, is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong and the Trust Deed dated 25 July 2012, as amended, (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 the year and of the transactions for the year then ended. In preparing these financial statements the Manager is required to:

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

CSOP ETF Series (the “Trust”) is an umbrella unit trust governed by its Trust Deed. As at 31 December 2014, the Trust has established two sub-funds, namely, CSOP FTSE China A50 ETF and CSOP CES China A80 ETF.

TRUSTEE’S RESPONSIBILITIES

The Trustee of the Sub-Fund is required to:

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

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES, AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG KONG)**

Report on the Financial Statements

We have audited the financial statements of CSOP FTSE China A50 ETF (the "Sub-Fund"), a sub-fund of CSOP ETF Series, set out on pages 7 to 31, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Trustee and the Manager (the "Management") of the Sub-Fund are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and are responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 25 July 2012, as amended, (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code"), and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also 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 SFC Code.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Sub-Fund's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP FTSE CHINA A50 ETF (continued)
(A SUB-FUND OF CSOP ETF SERIES, AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG KONG)**

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2014, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 3 to the financial statements which indicates that Management considers that the enforcement of PRC tax on gains on A-Shares is uncertain as at the date of approval of these financial statements and the Management has exercised significant judgment in their assessment of the potential tax charge and the related provision included in the Sub-Fund's financial statements as at 31 December 2014. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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 SFC Code.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 April 2015

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	<i>Notes</i>	2014 <i>RMB</i>	2013 <i>RMB</i>
ASSETS			
NON-CURRENT ASSETS			
Deposit reserve		9,744,000	5,180,000
CURRENT ASSETS			
Investments	7(c),8(a)	30,195,508,721	20,796,285,550
Interest receivable		17,406	21,229
Bank balances	7(c)	1,100,950,201	263,768,161
		31,296,476,328	21,060,074,940
Total assets		31,306,220,328	21,065,254,940
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liability	6	-	80,345,947
CURRENT LIABILITIES			
Provision for taxation	6	55,577,523	44,282,618
Amounts due to participating dealers		1,025,177,102	55,947,377
Management fee payable	7(a)	26,186,658	17,176,162
Other accounts payable		2,364,860	3,678,671
		1,109,306,143	121,084,828
Total liabilities		1,109,306,143	201,430,775
EQUITY			
Net assets attributable to unitholders	4	30,196,914,185	20,863,824,165

The financial statements on pages 7 to 31 were approved by the Trustee and the Manager on 24 April 2015 and were signed on their behalf.

For and on behalf of

For and on behalf of

CSOP Asset Management Limited
as the Manager

HSBC Institutional Trust Services (Asia) Limited
as the Trustee

The notes on pages 11 to 31 form part of these financial statements

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

		Year ended 31 December 2014 RMB	Year ended 31 December 2013 RMB
	<i>Notes</i>		
INCOME			
Dividend income		1,059,632,544	562,069,186
Interest income		1,093,690	3,445,417
Net gain/(loss) on investments	5	16,083,270,839	(2,817,189,989)
Other income		101,440,098	17,320,497
Total net income/(loss)		17,245,437,171	(2,234,354,889)
		-----	-----
EXPENSES			
Management fee	7(a)	(281,436,408)	(169,094,872)
Trustee fee	7(b)	(24,102,336)	(15,024,232)
Transaction costs on investments		(85,515,132)	(22,328,141)
Audit fee		(175,740)	(176,248)
Safe custody and bank charges		(212,963)	(112,001)
Legal and other professional fee		(52,147)	(2,378,171)
Other operating expenses		(1,370,521)	(2,607,790)
Total operating expenses		(392,865,247)	(211,721,455)
		-----	-----
Operating profit/(loss)		16,852,571,924	(2,446,076,344)
		-----	-----
Taxation	6	(42,691,404)	36,474,028
		-----	-----
Total comprehensive income		16,809,880,520	(2,409,602,316)
		=====	=====

The notes on pages 11 to 31 form part of these financial statements

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2014

		Year ended 31 December 2014 RMB	Year ended 31 December 2013 RMB
Net assets attributable to unitholders at the beginning of the year		20,863,824,165	16,772,831,681
Proceeds on issue of units		20,210,064,800	8,122,231,000
Payments on redemption of units		(26,270,615,300)	(1,284,796,200)
Net (decrease)/increase from unit transactions		(6,060,550,500)	6,837,434,800
Distribution to unitholders	9	(1,416,240,000)	(336,840,000)
Total comprehensive income for the year		16,809,880,520	(2,409,602,316)
Net assets attributable to unitholders at the end of the year		30,196,914,185	20,863,824,165

The notes on pages 11 to 31 form part of these financial statements

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	Year ended 31 December 2014 RMB	Year ended 31 December 2013 RMB
OPERATING ACTIVITIES		
Payments for purchase of investments	(25,758,520,431)	(12,396,607,038)
Proceeds from sale of investments	32,442,568,099	5,723,092,323
Dividend received	1,059,632,544	562,069,186
Interest received	1,097,513	3,432,992
Other income received	101,440,098	17,320,497
Management fee paid	(272,425,912)	(163,671,310)
Transaction costs paid	(85,515,132)	(22,328,141)
Reversal of deferred tax liabilities	(80,345,947)	-
Taxation paid	(31,396,499)	(60,743,827)
Other operating expenses paid	(27,227,518)	(17,993,607)
Deposit reserve paid	(4,564,000)	(2,380,000)
Net cash generated from/(used in) operating activities	7,344,742,815	(6,357,808,925)
FINANCING ACTIVITIES		
Proceeds on issue of units	20,210,064,800	8,122,231,000
Amounts received from participating dealers in advance	969,229,725	51,181,242
Payments on redemption of units	(26,270,615,300)	(1,284,796,200)
Distribution paid	(1,416,240,000)	(336,840,000)
Net cash (used in)/generated from financing activities	(6,507,560,775)	6,551,776,042
Net increase in cash and cash equivalents	837,182,040	193,967,117
Cash and cash equivalents at the beginning of the year	263,768,161	69,801,044
Cash and cash equivalents at the end of the year	1,100,950,201	263,768,161
Analysis of balances of cash and cash equivalents		
Bank balances	1,100,950,201	263,768,161

The notes on pages 11 to 31 form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP ETF Series (the “Trust”) is an umbrella unit trust governed by its a trust deed dated 25 July 2012, as amended, (the “Trust Deed”) and authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to Section 104(1) of the Securities and Futures Ordinance. The terms of the Trust Deed are governed by the laws of Hong Kong. As at 31 December 2014, the Trust has two sub-funds which are CSOP FTSE China A50 ETF (the “Sub-Fund”) and CSOP CES China A80 ETF. The date of inception of the Sub-Fund was 23 August 2012. The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited. CSOP Asset Management Limited, the manager of the Sub-Fund, applied and obtained approval to list Japan Depository Receipt (“JDR”) which represents units of the Sub-Fund on the Tokyo Stock Exchange (“TSE”). The JDR which represents units of the Sub-Fund was listed on the TSE on 27 February 2013.

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

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

The Sub-Fund has been using FTSE China A50 price return index as its underlying index since its inception in August 2012. It is proposed that the type of the underlying index of the Sub-Fund will change from price return index to net total return index from 27 February 2015. As such, the Manager believes that the change to the type of the underlying index will not only reduce the cash dragging but also its tracking error of the Sub-Fund.

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

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

These financial statements are prepared for the Sub-Fund only. The financial statements for CSOP CES China A80 ETF have been prepared separately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the Trustee and Manager (together the “Management”) to exercise their judgment in the process of applying the Sub-Fund’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Standard and amendments to existing standards effective 1 January 2014

Amendments to HKAS 32, “Offsetting financial assets and financial liabilities” is effective for annual periods beginning on or after 1 January 2014. These amendments clarify the offsetting criteria in HKAS 32 and address inconsistencies in their application. This includes clarifying the meaning of ‘currently has a legally enforceable right of set-off’ and that some gross settlement systems may be considered equivalent to net settlement. The amendments did not have any impact on the Sub-Fund’s financial position or performance.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2014 that would be expected to have a material impact on the Sub-Fund.

New standards and amendments to standards effective after 1 January 2014 that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund.

HKFRS 9, ‘Financial instruments’, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. HKFRS 9 will be effective for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Manager of the Sub-Fund is yet to assess HKFRS 9’s full impact.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

HKFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 'Revenue' and HKAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Manager of the Sub-Fund is assessing the impact of HKFRS 15.

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

(b) Investments

(i) Classification

The Sub-Fund classifies its investments as financial assets at fair value through profit or loss. These financial assets are designated by the Management at fair value through profit or loss at inception. Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Sub-Fund's documented investment strategies. The Sub-Fund's policies require the Management to evaluate the information about these financial assets on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

Purchases and sales of investments are accounted for on the trade date basis. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all investments are measured at fair value. Realised and unrealised gains and losses on investments are recognised in the statement of comprehensive income in the year in which they arise.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Investments (continued)

(iv) Fair value estimation

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 of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Sub-Fund utilises the last traded market price for both listed financial assets and liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets that are not traded in an active market (for example, over-the-counter derivatives) is determined by using broker quotes or valuation techniques. Details of the fair value estimation of these securities are discussed in note 8(d).

(v) Transfers between levels of the fair value hierarchy

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

(c) Amounts due from/to participating dealers

Amounts due from/to participating dealers represent the subscription receivable and redemption payable to the participating dealer at the end of the reporting year. The amounts are non-interest bearing and repayable on demand.

(d) Dividend income and interest income

Dividend income is recorded on the ex-dividend date with the corresponding foreign withholding taxes recorded as an expense.

Interest income is recognised on a time-proportionate basis using the effective interest method.

(e) Distributions to unitholders

Distributions to unitholders are recognised in the statement of changes in net assets attributable to unitholders when they are approved by the Manager.

(f) Other income/expense

Other income/expense mainly represents the difference between the proceeds received from/paid to participating dealers and cost of investment purchased/sold.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Expenses

Expenses are accounted for on an accrual basis.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(i) Foreign currencies translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the “functional currency”). The Sub-Fund invests in A-Shares in the PRC and the performance of the Sub-Fund is measured and reported to the unitholders in RMB. The Manager considers RMB as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in RMB, which is the Sub-Fund’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net gain/(loss) on investments”.

(j) Redeemable units

The Sub-Fund issues redeemable units, which are redeemable at the holder’s option represents puttable financial instruments of the Sub-Fund. The Sub-Fund classifies its puttable financial instruments as equity in accordance with HKAS 32 (Amendment), “Financial instruments: Presentation” as those puttable financial instruments meet all the following criteria:

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NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Redeemable units (continued)

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of the Sub-Fund.

Units are issued and redeemed at the holder's option at prices based on the Sub-Fund's net asset value per unit at the time of issue or redemption. The Sub-Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

In accordance with the Prospectus of the Sub-Fund, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for creations and redemptions of the Sub-Fund.

(k) Taxation

The Sub-Fund currently incurs withholding taxes imposed by PRC on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included as taxation in the statement of comprehensive income.

The Sub-Fund also makes tax provisions on the gains arising from PRC A-shares which Management expects such amount may have to be paid to the tax authorities.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(l) Establishment costs

Establishment costs are recognised as an expense in the period in which they are incurred. Establishment costs are presented in the statement of comprehensive income within "other operating expenses".

**CSOP FTSE CHINA A50 ETF
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NOTES TO THE FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

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

The Sub-Fund invests in A-Shares securities which are issued within the PRC through the RQFII quotas of the Manager. Under the general taxing provision of PRC Corporate Income Tax Law, a 10% withholding tax may be payable on the gains derived from the sale of A-Shares by RQFIIs. The Manager considers that the enforcement of PRC tax on gains on A-Shares is uncertain as at the date of approval of these financial statements and has exercised its judgment when assessing whether the Sub-Fund may be liable for taxation on its gains, the amount of potential tax liability and the probability of such tax charges being levied up to the reporting date. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events. The Manager considers that its estimation may be impacted by any future clarification by the PRC State Administration of Taxation ("SAT") and the applicability of double tax treaty between Hong Kong and China for Hong Kong tax residents, which may be materially different from what the Manager envisioned.

Since 23 August 2012 (date of inception) to 31 December 2013

The Manager estimates the gross realised gains and unrealised gains of the Sub-Fund which could be exposed to PRC taxation at the rate of 10% for the period from 23 August 2012 (date of inception) to 31 December 2013 to be RMB442,826,187 and as at 31 December 2013 to be RMB803,459,461 respectively, and the Manager has made tax provision based on the best estimate of the Manager accordingly. The capital gains tax provision in relation to A-Shares investments of the Sub-Fund including provision of taxation of RMB44,282,618 and deferred tax liability of RMB80,345,947, and in aggregate of RMB124,628,565 represents 0.60% of the net assets attributable to unitholders of the Sub-Fund as at 31 December 2013. Refer to Note 6 for more details.

For the financial year ended 31 December 2014

Reversal of tax provision as at 17 February 2014

As a result of the development of RQFII regime together with the Manager's accumulated knowledge about withholding income tax ("WIT") on PRC A-Shares; the Manager has reassessed the WIT provisioning approach after the year ended 31 December 2013. After careful consideration of the reassessment and having taken and considered independent professional tax advice obtained after the financial year ended 31 December 2013 relating to the Sub-Fund's eligibility to benefit from the arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "Arrangement"), and in accordance with such advice, the Manager held a view that the Sub-Fund is a Hong Kong tax resident for the purpose of the Arrangement and should be able to enjoy certain WIT exemption on gross capital gains derived from the alienation of the shares of non-immovable properties-rich China A-Shares companies under Arrangement; the Manager has determined that, with effect from 17 February 2014 (the "Effective Date"):

**CSOP FTSE CHINA A50 ETF
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NOTES TO THE FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

PRC tax provision (continued)

- (i) no WIT provision will be made on the gross unrealised and realised capital gains derived from trading of PRC A-Shares, except for those gross capital gains derived from trading of PRC A-Shares issued by PRC tax resident companies which 50% or more of the PRC tax resident company's assets are comprised, directly or indirectly, of immovable property situated in the PRC within 3 years prior to alienation of their shares by the Sub-Fund (an "immovable properties-rich company").
- (ii) a 10% provision for WIT will continue to be made for the gross unrealised and realised capital gains derived by the Sub-Fund from trading of PRC A-Shares issued by PRC tax resident companies which are immovable properties-rich companies.

As a result, the Sub-Fund reversed the WIT provision of RMB107,483,155 as of 14 February 2014 on the Effective Date, which was made on the WIT provision on the gross unrealised and realised capital gains of RMB65,556,367 and RMB41,926,788 respectively derived from trading of PRC A-Shares issued by PRC tax resident companies which are not immovable properties-rich companies.

Notice issued on 14 November 2014

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

According to the Notice, amongst other things:

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

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

- (i) The Sub-Fund has ceased to provide PRC withholding income tax for realised gains on investments in China A-Shares on or after 17 November 2014;
- (ii) No PRC withholding income tax provision is made for unrealized gains for China A-shares. The tax provision made in relation to unrealised gains on the Fund's investments in China A-Shares issued by PRC tax resident companies which are immovable properties-rich companies of RMB36,013,751 has been released on 17 November 2014; and
- (iii) The Sub-Fund has made capital gains tax provision for the gross realised gains derived from trading of China A-Shares, since the Sub-Fund's inception date of 23 August 2012 up to and including 14 November 2014, in the amount of RMB52,528,451. This excludes the realised gains derived from the Sub-Fund's trading of A-Shares issued by immovable properties-rich companies (for which the capital gain tax provision of RMB3,049,072 had already been made for the period from 23 August 2013 (date of inception) up to and including 14 November 2014 previously). The total capital gains tax provision in relation to A-Shares investments of the Sub-Fund amounted to RMB55,577,523 representing 0.18% of the net assets attributable to unitholders of the Sub-Fund as at 31 December 2014. Refer to Note 6 for more details.

**CSOP FTSE CHINA A50 ETF
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NOTES TO THE FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

PRC tax provision (continued)

The Manager considers that the capital gains tax provision amount for gross realised capital gains derived by the Sub-Fund from trading of PRC Investments prior to 17 November 2014 may differ significantly from the amounts that may have to be ultimately borne by the Sub-Fund. In the event a capital gains tax is levied at an amount that is different from what was provided by the Sub-Fund, the Sub-Fund may incur a liability that is different from the existing tax provision, which could be significantly impact the net assets attributable to unitholders of redeemable units and consequently, the price per unit of the Sub-Fund based on the calculation of the net assets attributable to unitholders of redeemable units when distributing to the unitholders of redeemable units at such relevant time. When the SAT issues clarifications on the enforcement of withholding tax on such gains, this might ultimately result in either an increase or a decrease in the amount provided.

The Manager reviews the relevant PRC tax rules on the PRC Investments from time to time, including the likelihood of the Sub-Fund benefiting from double tax treaty agreements between Hong Kong and PRC for Hong Kong tax residents. Any change in taxation imposed on RQFII's is likely to have a subsequent impact on the required provision and accordingly the net assets attributable to unitholders of the Sub-Fund. When the SAT issues clarifications, this might ultimately result in either an increase or a decrease in the amount provided. The Manager will act in the best interest of unitholders and will continually assess the tax provision on an on-going basis.

Events subsequent to 31 December 2014

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

The Manager is in the process of engaging a tax advisor to file their tax return and required documents by 30 September 2015.

**CSOP FTSE CHINA A50 ETF
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NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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

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

As stated in Note 2(j), redeemable units of the Sub-Fund are classified as equity and they are carried at the redemption amount that would be payable at the reporting date if the unitholder exercised the right to redeem the units in the Sub-Fund.

The movements of the redeemable units for the year ended 31 December 2014 and 2013 are as follows:

	2014	2013
Number of units in issue at the beginning of the year	2,920,000,000	2,023,500,000
Units issued	2,877,500,000	1,070,000,000
Units redeemed	(3,148,000,000)	(173,500,000)
Number of units in issue at the end of the year	<u>2,649,500,000</u>	<u>2,920,000,000</u>
	2014	2013
	RMB	RMB
Net assets attributable to unitholders per unit at 31 December	<u>11.3972</u>	<u>7.1451</u>

5. NET GAIN/(LOSS) ON INVESTMENTS

	2014	2013
	RMB	RMB
Net fair value change in unrealised gain/loss in value of investments	11,367,036,594	(2,502,387,480)
Net realised gain/(loss) on sale of investments	4,716,234,245	(314,802,509)
	<u>16,083,270,839</u>	<u>(2,817,189,989)</u>

CSOP FTSE CHINA A50 ETF
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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TAXATION

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

PRC tax

The Sub-Fund invests in A-Shares listed in the PRC and is subjected to 10% withholding tax on dividend income derived from A-Shares. Withholding tax was charged on dividend income received from A-Shares during the year. A 10% withholding tax may also be payable on the gains derived from the sale of A-Shares by RQFIIs as described in Note 3 above.

The taxation of the Sub-Fund for the year ended 31 December 2014 and 31 December 2013 represents:

	2014 RMB	2013 RMB
Capital gains tax charged on realized gains on investments	53,221,693	39,801,236
Reversal on capital gain tax	(41,926,788)	-
Deferred tax charged on change in unrealised gains on investments	21,224,171	-
Deferred tax reversed on change in unrealised gains on investments	(101,570,118)	(137,019,091)
	<u>(69,051,042)</u>	<u>(97,217,855)</u>
Withholding tax on dividend income	111,633,077	60,681,957
Withholding tax on interest income	109,369	61,870
	<u>111,742,446</u>	<u>60,743,827</u>
Taxation	<u><u>42,691,404</u></u>	<u><u>(36,474,028)</u></u>

The movement in deferred tax liabilities arising from change in unrealised gains on investments during the year is as follows:

	2014 RMB	2013 RMB
At the beginning of the year	80,345,947	217,365,038
Deferred tax charged on change in unrealised gains on investments	21,224,171	-
Deferred tax reversed on change in unrealised gains on investments	(101,570,118)	(137,019,091)
At the end of the year	<u><u>-</u></u>	<u><u>80,345,947</u></u>

CSOP FTSE CHINA A50 ETF
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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TAXATION (CONTINUED)

The movement in provision for taxation during the year is as follows:

	2014 RMB	2013 RMB
At the beginning of the year	44,282,618	4,481,382
Taxation charged to the statement of comprehensive income for the year	84,618,192	100,545,063
Reversal of current tax liabilities	(41,926,788)	-
Tax paid	(31,396,499)	(60,743,827)
At the end of the year	<u>55,577,523</u>	<u>44,282,618</u>

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

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

(a) Management fee

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

(b) Trustee fee and Registrar’s fee

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)

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

(c) Financial assets

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

	2014	2013
	RMB	RMB
Investments		
HSBC Bank (China) Company Limited	30,195,508,721	20,796,285,550
Bank balances		
The Hongkong and Shanghai Banking Corporation Limited	1,099,780,914	174,528,616
HSBC Bank (China) Company Limited	1,169,287	89,239,545
	1,100,950,201	263,768,161

8. FINANCIAL RISK MANAGEMENT

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

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

(a) Market risk

(i) Market price risk

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

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Market price risk (continued)

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

	2014		2013	
	Fair value RMB	% of net asset value	Fair value RMB	% of net asset value
Listed equities – by industry				
Basic materials	575,364,878	1.91	429,807,001	2.06
Consumer goods	2,955,844,509	9.78	3,145,170,024	15.08
Consumer services	-	-	330,793,787	1.58
Financials	21,095,145,904	69.87	13,446,177,894	64.45
Health Care	-	-	344,820,031	1.65
Industrials	3,846,295,233	12.73	1,829,935,966	8.77
Oil & gas	839,354,906	2.78	709,433,698	3.40
Technology	43,632,685	0.14	-	-
Telecommunications	361,930,125	1.20	264,732,944	1.27
Utilities	477,940,481	1.59	295,414,205	1.42
	<u>30,195,508,721</u>	<u>100.00</u>	<u>20,796,285,550</u>	<u>99.68</u>

The Sub-Fund held 50 out of 50 (2013: 50 out of 50) constituents comprising the FTSE China A50 Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the FTSE China A50 Index.

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

As at 31 December 2014, if the FTSE China A50 Index were to increase by 10% (2013: 10%) with all other variables held constant, this would increase the operating profit for the year by approximately RMB3,019,550,872 (2013: RMB2,079,628,555). Conversely, if the FTSE China A50 Index were to decrease by 10% (2013: 10%), this would decrease the operating profit for the year by an equal amount.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Interest rate risk

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

As at 31 December 2014 and 2013, interest rate risk arises only from bank balances. As the bank balances held by the Sub-Fund is short term in nature and the interest arising from these interest bearing assets are immaterial, the Manager considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. As a result, the Manager considers sensitivity analysis of currency risk is not necessary to be presented.

(iii) Currency risk

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

(b) Credit and counterparty risk

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

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

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

As at 31 December 2014, the Sub-Fund placed bank balances of RMB1,099,780,914 (2013: RMB174,528,616) with The Hong Kong and Shanghai Banking Corporation Limited ("HSBC"), which is the custodian of the Sub-Fund. The S&P credit rating of HSBC is AA- (2013: AA-).

As at 31 December 2014, the Sub-Fund placed bank balances of RMB1,169,287 (2013: RMB89,239,545) and investments of RMB30,195,508,721 (2013: RMB20,796,285,550) with HSBC Bank (China) Company Limited ("HSBC China"), which is the PRC custodian of the Sub-Fund. The Moody's credit rating of HSBC China is A1 (2013: A2).

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit and counterparty risk (continued)

The maximum exposure to credit risk as at 31 December 2014 and 2013 is the carrying amount of the financial assets as shown on the statement of financial position.

The Manager considers that none of assets are impaired nor past due as at 31 December 2014 and 2013.

(c) Liquidity risk

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

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

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

	Less than 1 month RMB	1 month to less than 3 months RMB	Over 3 months RMB	Total RMB
As at 31 December 2014				
Amounts due to participating dealers	1,025,177,102	-	-	1,025,177,102
Management fee payable	26,186,658	-	-	26,186,658
Other accounts payable	-	2,238,200	126,660	2,364,860
Contractual cash outflow	1,051,363,760	2,238,200	126,660	1,053,728,620
As at 31 December 2013				
Amounts due to participating dealers	55,947,377	-	-	55,947,377
Management fee payable	-	17,176,162	-	17,176,162
Other accounts payable	-	1,505,880	2,172,791	3,678,671
Contractual cash outflow	55,947,377	18,682,042	2,172,791	76,802,210

CSOP FTSE CHINA A50 ETF
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NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

Units are redeemed on demand at the unitholder's option. As at 31 December 2014, there were 2 (2013: 3) unitholders holding more than 10% of the Sub-Fund's units.

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

	Less than 1 month <i>RMB</i>	1 to 12 months <i>RMB</i>	No stated maturity <i>RMB</i>	Total <i>RMB</i>
As at 31 December 2014				
Total assets	31,296,458,922	17,406	9,744,000	31,306,220,328
As at 31 December 2013				
Total assets	21,060,053,711	21,229	5,180,000	21,065,254,940

(d) Fair value estimation

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value estimation (continued)

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

The following table analyses within the fair value hierarchy the Sub-Fund’s financial assets (by class) measured at fair value at 31 December 2014 and 2013:

	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
As at 31 December 2014				
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	30,195,508,721	-	-	30,195,508,721
Total assets	<u>30,195,508,721</u>	<u>-</u>	<u>-</u>	<u>30,195,508,721</u>
As at 31 December 2013				
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	20,796,285,550	-	-	20,796,285,550
Total assets	<u>20,796,285,550</u>	<u>-</u>	<u>-</u>	<u>20,796,285,550</u>

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 31 December 2014 and 2013, the Sub-Fund did not hold any investments classified in level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2014 and 2013, the Sub-Fund did not hold any investments classified in level 3.

During the year ended 31 December 2014 and 2013, there were no transfers between levels.

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

**CSOP FTSE CHINA A50 ETF
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NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital risk management

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

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

9. DISTRIBUTION

Year ended
31 December 2014
RMB

2014 Final Distribution

-RMB0.28 per unit on 5,058,000,000 units (1,416,240,000)

Year ended
31 December 2013
RMB

2013 Final Distribution

-RMB0.12 per unit on 2,807,000,000 units (336,840,000)

The final distribution of RMB0.28 (2013: RMB0.12) per unit on 5,058,000,000 (2013: 2,807,000,000) units outstanding on 7 October 2014 (2013: 6 December 2013) was paid on 27 October 2014 (2013: 18 December 2013).

10. FINANCIAL INSTRUMENTS BY CATEGORY

As of 31 December 2014 and 2013, other than investments as disclosed in the financial statements which are classified as the financial assets at fair value through profit or loss, all financial assets including deposit reserve, interest receivable and bank balances are categorised as loans and receivables and carried at amortised costs. All the financial liabilities of the Sub-Fund are carried at amortised cost.

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

**CSOP FTSE CHINA A50 ETF
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NOTES TO THE FINANCIAL STATEMENTS (continued)

11. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

Pursuant to the SFC's Guidelines for Regulating Index Tracking Exchange Trade Funds (the "ETF Guidelines"), the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the underlying index, except where the weightings are exceeded as a result of changes in the composition of the underlying index and the excess is only transitional and temporary in nature.

The Manager and the Trustee have confirmed that the Sub-Fund has complied with this limit during the years ended 31 December 2014 and 2013.

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 FTSE China A50 Index as at 31 December 2014 and 2013.

During the year ended 31 December 2014, the FTSE China A50 Index increased by 62.19% (2013: decreased by 14.74%) while the net asset value per unit of the Sub-Fund increased by 59.51% (2013: decreased by 13.80%).

12. SOFT COMMISSION ARRANGEMENT

The Manager confirms that there has been no soft commission arrangement existing during the year in relation to directing transactions of the Sub-Fund through a broker or dealer.

13. SEGMENT INFORMATION

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

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

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

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

The total of non-current assets of the Sub-Fund located in PRC in RMB9,744,000 (2013: RMB5,180,000). The Sub-Fund has no other assets classified as non-current assets. As at 31 December 2014 and 2013, the Sub-Fund has a diversified portfolio of investments and no single investment accounts for more than 10% of the Sub-Fund's net asset value.

**CSOP FTSE CHINA A50 ETF
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NOTES TO THE FINANCIAL STATEMENTS (continued)

14. SUBSEQUENT EVENT

- (a) For the development of the PRC tax subsequent to 31 December 2014, refer to Note 3 for more details.
- (b) The Sub-Fund has been using FTSE China A50 price return index as its underlying index since its inception in August 2012. Pursuant to an announcement made by CSOP Asset Management Limited, the Manager of the Trust, on 27 January 2015, the type of the underlying index of the Sub-Fund will change from price return index to net total return index with effect from 27 February 2015.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustee and the Manager on 24 April 2015

CSOP FTSE CHINA A50 ETF
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INVESTMENT PORTFOLIO (continued)

As at 31 December 2014

	Holdings	Fair value RMB	% of net assets
Investments (100.00%)			
Listed Equities (100.00%)			
China (100.00%)			
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	228,210,720	846,661,771	2.80
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	15,489,962	342,018,361	1.13
BANK OF BEIJING CO LTD ORD CNY1 CL A	47,345,695	517,488,446	1.71
BANK OF CHINA LTD A SHS ORD CNY1	67,463,189	279,972,234	0.93
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	145,548,642	989,730,766	3.28
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	32,666,143	228,989,662	0.76
BEIJING ZHONGCHUANG TELECOM TEST CO A SHS ORD CNY1	1,006,521	43,632,685	0.14
BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1	61,484,500	206,587,920	0.68
BYD CO LTD A SHRS ORD CNY1	3,492,110	133,223,997	0.44
CHINA CITIC BANK CORP A SHRS ORD CNY1	24,801,380	201,883,233	0.67
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	10,133,697	140,757,051	0.47
CHINA CONSTRUCTION BANK A SHS ORD CNY1	78,055,012	525,310,231	1.74
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	97,627,009	476,419,804	1.58
CHINA LIFE INSURANCE CO A SHS ORD NPV	14,369,446	490,716,581	1.63
CHINA MERCHANTS BANK A SHR ORD CNY1	112,817,207	1,871,637,464	6.19
CHINA MERCHANTS SECURITIES CO LTD A SHR ORD CNY1	12,515,135	353,802,866	1.17
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	172,966,298	1,881,873,323	6.24
CHINA OILFIELD SERVICES LTD A SHS ORD CNY1	5,098,835	105,902,803	0.35
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	21,727,839	701,809,200	2.33
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	54,866,477	356,083,435	1.18
CHINA RAILWAY GROUP LTD A ORD CNY1	44,212,100	411,172,530	1.36
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	21,582,130	329,343,304	1.09
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	17,071,228	346,375,216	1.15
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	45,236,228	416,625,660	1.38
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	103,477,344	753,315,064	2.49
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	73,117,197	361,930,125	1.20
CHINA VANKE CO LTD A SHR ORD CNY1	71,787,060	997,840,134	3.30
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	31,307,949	334,055,816	1.11
CITIC SECURITIES CO LTD A SHR ORD CNY1	63,635,112	2,157,230,297	7.14
CSR CORP LTD A SHR ORD CNY1	58,935,047	376,005,600	1.25
DAQIN RAILWAY CO LTD A SHS ORD CNY1	51,019,186	543,864,523	1.80
GF SECURITIES CO LTD A SHR ORD CNY1	17,861,601	463,508,546	1.54

CSOP FTSE CHINA A50 ETF
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INVESTMENT PORTFOLIO (Unaudited) (continued)

As at 31 December 2014

	Holdings	Fair value RMB	% of net assets
Investments (100.00%) (continued)			
Listed equities (100.00%) (continued)			
China (100.00%) (continued)			
GREAT WALL MOTOR CO LTD A SHRS ORD NPV	2,777,323	115,397,771	0.38
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	15,572,219	578,040,769	1.91
HAITONG SECURITIES CO LTD CL A ORD CNY1	48,915,532	1,176,907,700	3.90
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	8,967,799	200,609,664	0.66
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1	16,294,979	143,884,665	0.48
HUAXIA BANK CO LTD A SHR ORD CNY1	25,339,217	341,065,861	1.13
IND & COMM BK OF CHINA ORD CNY 1 CC	52,999,990	258,109,951	0.86
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	105,312,626	512,872,489	1.70
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	78,867,090	1,301,306,985	4.31
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1	21,668,847	620,379,090	2.05
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	3,539,167	671,096,847	2.22
MIDEA GROUP COMPANY LIMITED A SHR ORD NPV	14,909,737	409,123,183	1.36
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	3,967,031	196,606,056	0.65
PETROCHINA CO LTD A SHRS CNY1	34,909,220	377,368,668	1.25
PING AN BANK CO LTD A SHR ORD CNY1	41,385,367	655,544,213	2.17
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	34,254,909	2,559,184,251	8.47
SAIC MOTOR CORP LTD A SHR ORD CNY1	19,961,940	428,582,852	1.42
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY 1	19,625,476	125,995,556	0.42
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	85,255,800	1,337,663,502	4.43
Total investments		30,195,508,721	100.00
Other net assets		1,405,464	0.00
Net assets attributable to unitholders at 31 December 2014		30,196,914,185	100.00
Total investments, at cost		19,274,635,960	

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the year ended 31 December 2014

			Holdings		
	1 January 2014	Additions	Corporate actions	Disposals	31 December 2014
Investments					
Listed equities					
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	200,231,483	272,712,237	-	244,733,000	228,210,720
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	17,112,965	16,919,897	-	18,542,900	15,489,962
BANK OF BEIJING CO LTD ORD CNY1 CL A	44,509,413	46,247,181	13,371,001	56,781,900	47,345,695
BANK OF CHINA LTD A SHS ORD CNY1	76,101,689	75,687,700	-	84,326,200	67,463,189
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	164,176,415	163,273,227	-	181,901,000	145,548,642
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	36,850,393	36,605,750	-	40,790,000	32,666,143
BEIJING ZHONGCHUANG TELECOM TEST CO A SHS ORD CNY1	-	1,048,121	-	41,600	1,006,521
BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1	-	121,564,000	-	60,079,500	61,484,500
BYD CO LTD A SHRS ORD CNY1	3,033,039	3,712,271	-	3,253,200	3,492,110
CHINA CITIC BANK CORP A SHRS ORD CNY1	46,633,192	30,722,688	-	52,554,500	24,801,380
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	11,435,481	11,490,616	-	12,792,400	10,133,697
CHINA CONSTRUCTION BANK A SHS ORD CNY1	88,059,149	106,949,063	-	116,953,200	78,055,012
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	110,120,604	109,560,105	-	122,053,700	97,627,009
CHINA LIFE INSURANCE CO A SHS ORD NPV	14,173,687	15,648,557	-	15,452,798	14,369,446
CHINA MERCHANTS BANK A SHR ORD CNY1	127,257,317	168,792,890	-	183,233,000	112,817,207
CHINA MERCHANTS SECURITIES CO LTD A SHR ORD CNY1	-	13,014,335	-	499,200	12,515,135
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	162,583,137	235,333,849	41,016,312	265,967,000	172,966,298

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

For the year ended 31 December 2014

	Holdings				
	1 January 2014	Additions	Corporate actions	Disposals	31 December 2014
Investments (continued)					
Listed equities (continued)					
CHINA OILFIELD SERVICES LTD A SHS ORD CNY1	5,762,060	5,795,775	-	6,459,000	5,098,835
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	24,430,103	32,453,034	-	35,155,298	21,727,839
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	61,895,108	80,890,569	-	87,919,200	54,866,477
CHINA RAILWAY GROUP LTD A ORD CNY1	-	45,959,300	-	1,747,200	44,212,100
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	23,955,403	23,810,327	-	26,183,600	21,582,130
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	17,641,523	20,355,905	-	20,926,200	17,071,228
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	42,798,144	59,014,384	-	56,576,300	45,236,228
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	116,731,844	116,040,600	-	129,295,100	103,477,344
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	82,471,322	81,934,875	-	91,289,000	73,117,197
CHINA VANKE CO LTD A SHR ORD CNY1	80,987,671	80,548,389	-	89,749,000	71,787,060
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	35,301,700	35,139,849	-	39,133,600	31,307,949
CITIC SECURITIES CO LTD A SHR ORD CNY1	71,730,053	93,822,959	-	101,917,900	63,635,112
CSR CORP LTD A SHR ORD CNY1	-	62,856,247	-	3,921,200	58,935,047
DAQIN RAILWAY CO LTD A SHS ORD CNY1	57,550,299	57,300,187	-	63,831,300	51,019,186
GF SECURITIES CO LTD A SHR ORD CNY1	23,023,321	21,289,380	-	26,451,100	17,861,601
GREAT WALL MOTOR CO LTD A SHRS ORD NPV	3,120,267	3,067,056	-	3,410,000	2,777,323
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	20,479,690	20,339,429	-	25,246,900	15,572,219

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

For the year ended 31 December 2014

	Holdings				
	1 January 2014	Additions	Corporate actions	Disposals	31 December 2014
Investments (continued)					
Listed equities (continued)					
HAITONG SECURITIES CO LTD CL A ORD CNY1	55,178,290	67,354,542	-	73,617,300	48,915,532
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	10,110,302	9,973,497	-	11,116,000	8,967,799
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	6,421,804	6,384,982	-	12,806,786	-
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1	14,290,012	21,403,767	-	19,398,800	16,294,979
HUAXIA BANK CO LTD A SHR ORD CNY1	28,585,385	28,435,632	-	31,681,800	25,339,217
IND & COMM BK OF CHINA ORD CNY 1 CC	-	52,999,990	-	-	52,999,990
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	153,062,995	197,883,831	-	245,634,200	105,312,626
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	88,952,536	119,505,754	-	129,591,200	78,867,090
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1	13,914,088	20,208,038	12,224,221	24,677,500	21,668,847
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	3,631,140	3,873,778	458,549	4,424,300	3,539,167
MIDEA GROUP COMPANY LIMITED A SHR ORD NPV	6,734,710	13,276,949	11,376,978	16,478,900	14,909,737
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	6,078,275	5,381,431	-	7,492,675	3,967,031
PETROCHINA CO LTD A SHRS CNY1	39,368,928	39,180,392	-	43,640,100	34,909,220
PING AN BANK CO LTD A SHR ORD CNY1	39,864,405	41,604,457	9,734,805	49,818,300	41,385,367
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	38,641,029	53,863,780	-	58,249,900	34,254,909
POLY REAL ESTATE GROUP CO LTD A SHR ORD CNY1	38,891,421	6,258,404	-	45,149,825	-
SAIC MOTOR CORP LTD A SHR ORD CNY1	22,530,933	22,478,507	-	25,047,500	19,961,940

CSOP FTSE CHINA A50 ETF
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31 December 2014

			Holdings		
	1 January 2014	Additions	Corporate actions	Disposals	31 December 2014
Investments (continued)					
Listed equities (continued)					
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY 1	22,136,907	21,532,169	-	24,043,600	19,625,476
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	96,175,263	149,343,937	-	160,263,400	85,255,800
SUNING COMMERCE GROUP CO LTD A SHR ORD CNY1	36,632,756	18,238,380	-	54,871,136	-
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	16,983,864	16,859,517	-	33,843,381	-
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	3,380,920	4,592,803	1,854,782	9,828,505	-

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PERFORMANCE RECORD (Unaudited)

Net asset value

	Net asset value of the Sub-Fund <i>RMB</i>	Net asset value per unit <i>RMB</i>
At the end of financial year/period dated		
31 December 2014	30,196,914,185	11.3972
31 December 2013	20,863,824,165	7.1451
31 December 2012	16,772,831,681	8.2890

Highest and lowest net asset value per unit

	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
Financial year/period ended		
31 December 2014	11.3976	6.3961
31 December 2013	9.1469	6.8307
31 December 2012 (since 23 August 2012 (date of inception))	8.2890	6.9571

CSOP FTSE CHINA A50 ETF
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MANAGEMENT AND ADMINISTRATION

Manager and RQFII Holder

CSOP Asset Management Limited
Suite 2801 - 2803, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Trustee and Registrar

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

Adviser

China Southern Fund Management Co. Limited
33rd Floor, Duty-Free Business Building
6 Fuhua 1st Rd, Futian CBD
Shenzhen, China 518048

Custodian

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

PRC Custodian

HSBC Bank (China) Company Limited
33rd Floor, HSBC Building,
Shanghai ifc, 8 Century Avenue,
Pudong, Shanghai, China 200120

Service Agent

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

Listing Agent

Oriental Patron Asia Limited
27th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong

Directors of the Manager

Benoit Descourtieux
Chen Ding
Gaobo Zhang
Liangyu Gao
Haipeng Li (appointed on 17 April 2014)
Xiaosong Yang (appointed on 17 April 2014 and resigned on
31 March 2015)
Zhongping Cai (appointed on 17 April 2014)
Zengtao Wu (appointed on 15 April 2015)
Changkui Qin (resigned on 17 April 2014)
Guolu Qiu (resigned on 17 April 2014)
Wenge Bao (resigned on 17 April 2014)

Legal Adviser to the Manager

Deacons
5th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

Auditor

PricewaterhouseCoopers
21st Floor, Edinburgh Tower
15 Queen's Road Central
Hong Kong



www.csopasset.com

Telephone: (852) 3406 5688

2801-2803, Two Exchange Square, 8 Connaught Place, Central, Hong Kong