

ChinaAMC ETF Series

ChinaAMC CSI 300 Index ETF

Annual Report

For the period from
11th July 2012 (date of inception) to 31st December 2012



华夏基金
ChinaAMC

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

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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://etf.chinaamc.com.hk/HKen/CSI300>

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

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

MANAGEMENT AND ADMINISTRATION

Manager

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

Directors of the Manager

Mr. Fan Yonghong
Mr. Wang Dongming
Mr. Teng Tianming
Mr. Cheng Haiyong
Mr. Zhou Quan

Trustee

Cititrust Limited
50/F, Citibank Tower, Citibank Plaza
3 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

Auditors

Ernst & Young
22nd Floor, Citic Tower
1 Tim Mei Avenue, Central
Hong Kong

Investment Adviser

China Asset Management Co., Ltd.
3/F Tower B, Tongtai Building,
No. 33 Finance Street
Xicheng District, Beijing
People's Republic of China

Administrator and Custodian

Citibank, N.A.
50/F, Citibank Tower, Citibank Plaza
3 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 Voeus Road, Central
Hong Kong

Legal Counsel to the Manager

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

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

MANAGEMENT AND ADMINISTRATION (continued)

Participating Dealers

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

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

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

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

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

The Hongkong and Shanghai Banking Corporation
Limited
Level 18, HSBC Main Building,
1 Queen's Road, Central
Hong Kong

Citigroup Global Markets Asia Limited
50/F, Citibank Tower
Citibank Plaza, 3 Garden Road, Central
Hong Kong

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

Credit Suisse Securities (Hong Kong) Limited
88/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Standard Chartered Bank (Hong Kong) Limited
15/F Standard Chartered Tower
388 Kwun Tong Road
Kwun Tong, Kowloon

Deutsche Securities Asia Limited
52/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

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

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The ChinaAMC CSI 300 Index ETF (the “Sub-Fund”), a sub-fund of ChinaAMC ETF Series, a Hong Kong umbrella unit trust, authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong. Its RMB counter (stock code: 83188) and HKD counter (stock code: 3188) commenced trading on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 17 July 2012 and 26 October 2012 respectively. The Sub-Fund is an index-tracking fund that seeks to track the performance of the CSI 300 Index (the “Index”).

The Manager primarily use a full replication strategy through investing directly in securities included in the Index with substantially the same weightings in which they are included in the Index, through the Renminbi Qualified Foreign Institutional Investor (“RQFII”) investment quota of RMB 13 billion (as of 31 December 2012) granted to the Manager by the State Administration of Foreign Exchange (the “SAFE”). The Manager may also use a representative sampling strategy where it is not possible to acquire certain securities which are constituents of the Index due to restrictions or limited availability. This means that the Sub-Fund will invest directly in a representative sample of securities that collectively has an investment profile that aims to reflect the profile of the Index, through the RQFII investment quota granted to the Manager by the SAFE. The securities constituting the representative sample may or may not themselves be constituents of the Index.

Performance of the Sub-Fund

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

A summary of the performance of the Sub-Fund is in below:

Total Returns in respective currency¹:

	1-Month	3-Month	Since Launch
CSI 300 Index	17.91%	10.02%	5.13% ²
RMB Counter of the Sub-Fund (NAV-to-NAV)	16.53%	8.65%	3.98% ²
RMB Counter of the Sub-Fund (Market-to-Market)	15.86%	9.57%	4.13% ³
HKD Counter of the Sub-Fund (NAV-to-NAV)	16.24%	-	9.14% ⁴
HKD Counter of the Sub-Fund (Market-to-Market)	15.84%	-	11.72% ⁵

¹ Source: Bloomberg, as of 31 December 2012. Performances of CSI 300 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.

² Calculated since 16 July 2012

³ Calculated since 17 July 2012

⁴ Calculated since 25 October 2012

⁵ Calculated since 26 October 2012

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

Activities of the Sub-Fund

According to Bloomberg, the average daily trading volume of the Sub-Fund was approximately 5,415,865 units from 17 July 2012 to 31 December 2012. As of 31 December 2012, there were 565,500,000 units outstanding.

Activities of the Index

There was no rebalancing for the CSI 300 Index from 17 July 2012 to 31 December 2012. As of 31 December 2012, the Sub-Fund comprised of all 300 constituent stocks in the Index.

China Asset Management (Hong Kong) Limited
28 March 2013

ChinaAMC CSI 300 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 CSI 300 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 by a First Supplemental Deed dated 10 August 2012, for the period ended 31 December 2012.

Cititrust Limited
28 March 2013

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

Manager's responsibilities

The Manager of the ChinaAMC CSI 300 Index ETF (a Sub-Fund of ChinaAMC ETF Series) is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code") and the trust deed dated 28 May 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 that period and of the transactions for the period then ended. In preparing these financial statements the Manager is required to:

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

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

ChinaAMC ETF Series (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 December 2012, the Trust has established with only one Sub-Fund.

Trustee's responsibilities

The Trustee of the Sub-Fund is required to:

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

Independent Auditors' Report

To the unitholders of ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

We have audited the financial statements of ChinaAMC CSI 300 Index ETF (a sub-fund of China AMC ETF Series (the "Trust") and referred to as the "Sub-Fund") set out on pages 9 to 35, which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in assets attributable to unitholders and statement of cash flows for the period from 11 July 2012 (date of inception) to 31 December 2012, and a summary of significant accounting policies and other explanatory information.

Trustee's and Manager's responsibilities for the financial statements

The Trustee and the Manager of the Sub-Fund are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the Trustee and the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In addition, the Trustee and the Manager also have a responsibility to ensure that the financial statement have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 28 May 2012, as amended, (the "Trust Deed"), and the disclosure requirements specified in Appendix E to the Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission of Hong Kong (the "SFC Code").

Auditors' responsibility

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

We conducted our audits in accordance with International Standards on Auditing. 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 misstatements, and whether the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed and the disclosure requirements specified in Appendix E to 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 auditors' 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 auditors consider internal control relevant to the entity's preparation of the financial statements that give a true and fair value 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee and the Manager, 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 Auditors' Report (continued)

To the unitholders of ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

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 2012, and of its financial performance and cash flows for the period from 11 July 2012 (date of inception) to 31 December 2012 in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

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

Hong Kong
28 March 2013

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

STATEMENT OF FINANCIAL POSITION

31 December 2012

	Notes	RMB
ASSETS		
Financial assets at fair value through profit or loss	11	14,092,039,164
Prepayment and other receivables		1,935,498
Cash and cash equivalents	13	169,200,343
TOTAL ASSETS		<u>14,263,175,005</u>
LIABILITIES		
Management fee payable	5	6,899,210
Custodian, fund administration and trustee fees payable	5	2,266,404
Withholding tax provision	8	134,742,397
Other payables and accruals		778,360
TOTAL LIABILITIES		<u>144,686,371</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	10	<u>14,118,488,634</u>
NUMBER OF UNITS IN ISSUE		<u>565,500,000</u>
NET ASSET VALUE PER UNIT		<u>24.9664</u>

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

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

STATEMENT OF COMPREHENSIVE INCOME

For the period from 11 July 2012 (date of inception) to 31 December 2012

	Notes	RMB
INCOME		
Dividend income		18,317,218
Interest income		365,979
		<u>18,683,197</u>
EXPENSES		
Management fees	5	(18,494,714)
Brokerage fees	6	(10,281,372)
Custodian, fund administration and trustee fees	5	(1,859,897)
Audit fee		(52,692)
Index licensing fee		(23,419)
Data licensing fee		(1,071,161)
Formation costs		(174,905)
Other operating expenses		(2,037,835)
		<u>(33,995,995)</u>
LOSS BEFORE INVESTMENT AND EXCHANGE DIFFERENCES		(15,312,798)
INVESTMENT AND EXCHANGE DIFFERENCES		
Net change in unrealised gains on financial assets at fair value through profit or loss		1,238,249,402
Net foreign exchange losses		(325)
NET INVESTMENTS AND EXCHANGE GAINS		<u>1,238,249,077</u>
PROFIT BEFORE TAX		1,222,936,279
Withholding tax	8	(136,651,705)
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u><u>1,086,284,574</u></u>

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

ChinaAMC CSI 300 Index ETF
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 11 July 2012 (date of inception) to 31 December 2012

	RMB
At 11 July 2012 (date of inception)	-
Issue of units	13,032,204,060
Increase in net assets attributable to unitholders	<u>1,086,284,574</u>
At 31 December 2012	<u><u>14,118,488,634</u></u>

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

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

STATEMENT OF CASH FLOWS

For the period from 11 July 2012 (date of inception) to 31 December 2012

	Note	RMB
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		1,222,936,279
Adjustments for:		
Net change in unrealised gains on financial assets at fair value through profit or loss		(1,238,249,402)
		<u>(15,313,123)</u>
Purchase of financial assets at fair value through profit or loss		(12,853,789,762)
Increase in prepayment and other receivables		(1,935,498)
Increase in management fee payable		6,899,210
Increase in custodian, fund administration and trustee fees payable		2,266,404
Increase in other payables and accruals		778,360
Cash used in operations		<u>(12,861,094,409)</u>
Tax paid		<u>(1,909,308)</u>
Net cash flows used in operating activities		<u>(12,863,003,717)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of units and net cash flows from financing activities		13,032,204,060
NET INCREASE IN CASH AND CASH EQUIVALENTS		169,200,343
Cash and cash equivalents at the beginning of the period		<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13	<u><u>169,200,343</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash at bank	13	<u><u>169,200,343</u></u>
NET CASH USED IN OPERATING ACTIVITIES INCLUDES:		
Dividend received		16,407,910
Interest received		365,979

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

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

NOTES TO FINANCIAL STATEMENTS

31 December 2012

1. THE TRUST

ChinaAMC ETF Series (the “Trust”) is an umbrella unit trust governed by its trust deed dated 28 May 2012, as amended, (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 first and only sub-fund of the Trust, ChinaAMC CSI 300 Index ETF (the “Sub-Fund”). The Sub-Fund commenced trading under the stock code 83188 (RMB counter) and 3188 (HKD counter) on the Stock Exchange of Hong Kong Limited (“SEHK”) on 17 July 2012 and 26 October 2012, respectively.

The investment objective of the Sub-Fund is to provide investment results that closely correspond to the performance of the CSI 300 Index (the “Index”). The Sub-Fund is a physical exchange traded fund investing directly in the underlying A-Shares of the Index. As at 31 December 2012, the approved Renminbi Qualified Foreign Institutional Investor (“RQFII”) quota by the State Administration of Foreign Exchange (“SAFE”) was RMB13 billion.

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 Standard Board (“IASB”), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E 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 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 2012

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Sub-Fund has early adopted IFRS 13 *Fair Value Measurement* that has been issued and is effective for annual periods beginning on or after 1 January 2013.

The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards in IFRSs. If an asset or a liability measured at fair value has a bid and ask price, the standard requires valuation within the bid-ask spread that is the most representative of fair value that are used by market participants as a practical expedient for fair value measurement within the spread. The use of last traded prices is recognised as a standard pricing convention within the industry.

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

IFRS 7 Amendments	Amendments to IFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i> ²
IFRS 9	<i>Financial Instruments</i> ⁴
IAS 1 Amendments	Amendments to IAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i> ¹
IAS 32 Amendments	Amendments to IAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> ³
<i>Annual Improvements 2009-2011 Cycle</i>	Amendments to a number of IFRSs issued in May 2012 ²

¹ Effective for annual periods beginning on or after 1 July 2012

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2014

⁴ Effective for annual periods beginning on or after 1 January 2015

Further information about those IFRSs that are expected to be applicable to the Sub-Fund is as follows:

The IFRS 7 Amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 *Financial Instruments: Presentation*. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The Sub-Fund expects to adopt the amendments from 1 January 2013.

NOTES TO FINANCIAL STATEMENTS

31 December 2012

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial asset. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Sub-Fund's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Sub-Fund will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

The amendments to IAS 1 change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Sub-Fund's financial position or performance. The Sub-Fund expects to adopt the amendments from 1 January 2013.

The IAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to setoff" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in IAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendment affects presentation only and has no impact on the Sub-Fund's financial position or performance. The Sub-Fund expects to adopt the amendments from 1 January 2014.

The *Annual Improvements to IFRSs 2009-2011 Cycle* issued in May 2012 sets out amendments to a number of IFRSs. The Sub-Fund expects to adopt the amendments from 1 January 2013.

- (a) *IAS 1 Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

NOTES TO FINANCIAL STATEMENTS

31 December 2012

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

- (b) IAS 32 *Financial Instruments, Presentation*: This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 *Income Taxes*. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(i) **Classification**

The Sub-Fund classifies its financial assets and liabilities into the categories below in accordance with IAS 39.

Financial assets at fair value through profit or loss

Financial assets designated as at fair value through profit or loss upon initial recognition: these include equity securities and debt instruments that are not held for trading. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Sub-Fund (note 15). This category includes listed equity securities.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Sub-Fund includes in this category amounts relating to cash and cash equivalent and other short-term receivables.

Financial liabilities

This category includes all financial liabilities. The Sub-Fund includes in this category amounts relating to management fee payable, custodian, fund administration and trustee fee payable, accrued liabilities and other short-term payables.

(ii) **Recognition**

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iii) Initial measurement

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

Loans and receivables and financial liabilities (other than those classified as designated as at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

After initial measurement, the Sub-Fund measures financial instruments which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in 'Net change in unrealised gains on financial assets at fair value through profit or loss'. Interests earned of such instruments are recorded separately in 'Interest income on financial assets at fair value through profit and loss'.

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

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

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

(v) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired or the Sub-Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement; and

NOTES TO FINANCIAL STATEMENTS

31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(v) *Derecognition (continued)*

- Either (a) the Sub-Fund has transferred substantially all the risks and rewards of the asset, or (b) the Sub-Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Determination of fair value

The Sub-Fund has early adopted the IFRS 13 Fair Value *Measurement*. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When a price for an identical asset or liability is not observable, an entity measures fair value using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 12 to the financial statements.

Impairment of financial assets

The Sub-Fund assesses at each reporting date whether a financial asset or group of financial assets classified as loans and receivables is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as 'Credit loss expense'.

NOTES TO FINANCIAL STATEMENTS

31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Sub-Fund. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a previous write-off is later recovered, the recovery is credited to the profit or loss.

Interest revenue on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Offsetting financial instruments

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

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand, demand deposits, short-term deposits in banks and short-term highly liquid investments 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.

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Redeemable units (continued)

- (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 the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund over the life of the instrument.

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

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

The Sub-Fund's redeemable units do not meet the definition of puttable instruments classified as equity instruments under the revised IAS 32 and are classified as financial liabilities.

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 financial liabilities transactions. Upon issuance of redeemable units, the consideration received is included in equity.

Transaction costs incurred by the Sub-Fund in issuing or its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Own equity instruments which 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 profit or loss on the purchase, sale, issuance or cancellation of the Sub-Fund's own equity instruments.

NOTES TO FINANCIAL STATEMENTS

31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Dividend income and expense

Dividend income is recognised when the Sub-Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income. Dividend expense relating to equity securities sold short is recognised when the shareholders' right to receive the payment is established.

Interest income and expense

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

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

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

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

Net realised gains or losses on disposal of financial investment

Realised gains and losses on disposals of financial instruments classified as 'at fair value through profit or loss' are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

Foreign currency

These financial statements are presented in RMB, which is the Sub-Fund's functional and presentation currency. Foreign currency transactions recorded by the Sub-Fund are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or transaction of monetary items are recognized in the 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 was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional currency

The Sub-Fund's functional currency is RMB, which is the currency of the primary economic environment in which it operates. The Sub-Fund's performance is evaluated and its liquidity is managed in RMB. Moreover, the net asset value per unit at the time of issue or redemption is determined and units quoted on the 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.

Taxes

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment income in the statement of comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Sub-Fund;
 - (ii) has significant influence over the Sub-Fund; or
 - (iii) is a member of the key management personnel of the Sub-Fund or of a parent of the Sub-Fund;

or

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

NOTES TO FINANCIAL STATEMENTS

31 December 2012

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Going concern

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

Taxation

In preparing these financial statements, the management 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.

In light of the uncertainty on the income tax treatment on capital gains and in order to meet this potential tax liability for capital gains, the Manager reserves the right to provide for the withholding basis ("WIT") on such gains or income and withhold the tax for the account of the Sub-Fund. The Manager will at present make a provision of 10% for the account of the Sub-Fund in respect of any potential WIT on capital gains. The amount of actual provision will be disclosed in the accounts of the Sub-Fund. Investors should note that such provision may be excessive or inadequate to meet actual PRC tax liabilities on investments made by the Sub-Fund. As a result, investors may be advantaged or disadvantaged depending on the final rules of the relevant PRC tax authorities. Upon any future resolution of the above-mentioned uncertainty or further changes to tax law or policies, the Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary.

5. FEES

Management fee

The Manager is entitled to receive a management fee from the Sub-Fund, at a rate of 0.70% (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 are paid monthly in arrears. The Manager is responsible for the payment of the investment advisory fees to the investment adviser, China Asset Management Co., Ltd., out of its fees received from the Sub-Fund.

The management fee incurred during the period from 11 July 2012 (date of inception) to 31 December 2012 was RMB18,494,714. As at 31 December 2012, a management fee of RMB6,899,210 was payable to the Manager.

Custodian, fund administration and trustee fees

Custodian fees and fund administration fees pertain to the amounts charged by Citibank, N.A. ("Citibank") as safe keeping and fund administration fees.

NOTES TO FINANCIAL STATEMENTS

31 December 2012

5. FEES (continued)

Custodian, fund administration and trustee fees (continued)

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 current rate ranging from 0.07% to 0.10%, subject to a monthly minimum of US\$4,000.

Under the terms of the Trust Deed, the Trustee may, after consulting the Manager, on giving not less than one (1) 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 11 July 2012 (date of inception) to 31 December 2012 was RMB1,859,897. As at 31 December 2012, custodian, fund administration and trustee fees of RMB1,198,404 and transaction fee of RMB1,068,000 were payable to both the Custodian and the Trustee.

6. TRANSACTIONS WITH THE MANAGER AND ITS CONNECTED PERSONS

The following is a summary of significant related party transactions entered into during the period between the Sub-Fund and the Manager and their connected persons. Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the period between the Sub-Fund, 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:

Brokerage commission

The Sub-Fund utilises the trading services of only one broker, UBS Securities Co Ltd. As such, the Sub-Fund did not enter into any transactions with any related broker for the period from 11 July 2012 (date of inception) to 31 December 2012.

Cash and cash equivalents

Bank balances are maintained with Citibank, the Custodian and Administrator of the Sub-Fund. Bank balances deposited with the Custodian and Administrator at 31 December 2012 are summarised below:

	RMB
Cash at bank	<u>169,200,343</u>

The carrying amount of cash at bank approximates their fair value as at period end.

NOTES TO FINANCIAL STATEMENTS

31 December 2012

7. SOFT COMMISSION ARRANGEMENTS

The Manager and its connected persons have not received any soft dollar commissions or entered into any soft dollar arrangements in respect of the management of the Sub-Fund for the period from 11 July 2012 (date of inception) to 31 December 2012. The Manager and its connected persons have not retained any cash rebates from any broker or dealer.

8. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Fund as the dividend income and realised gain on disposal of investment of the Sub-Fund are excluded from the charge to profits tax under Section 14, Section 26 or Section 26A of the Hong Kong Inland Revenue Ordinance.

Distribution tax

A ten per cent (10%) PRC withholding tax has been levied on dividend and interest payments from PRC-listed companies to foreign investors. The Sub-Fund is subject to a distribution tax of ten per cent (10%). There is no assurance that the rate of the distribution tax will not be changed by the PRC tax authorities in the future. The distribution tax for the period from 11 July 2012 (date of inception) to 31 December 2012 was RMB1,909,308.

Capital gains tax

A ten per cent (10%) PRC withholding tax may also be payable on the gains derived from the sale of A-Shares by RQFII as described in note 4 above. As at 31 December 2012, PRC withholding tax on capital gains, including unrealized gains and realized gains, amounting to RMB134,742,397, was provided by the Sub-Fund for the period from 11 July 2012 (date of inception) to 31 December 2012.

9. DISTRIBUTIONS

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.

The Sub-Fund did not make any distribution during the period from 11 July 2012 (date of inception) to 31 December 2012.

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

NOTES TO FINANCIAL STATEMENTS

31 December 2012

10. THE REDEEMABLE UNITS

	Number of units
Units in issue at the beginning of the period	-
Issue of units	<u>565,500,000</u>
Units in issue at the end of the period	<u><u>565,500,000</u></u>
	At last trade market prices RMB
Dealing net asset value at the end of the period	<u>14,118,488,634</u>
Dealing net asset value per unit at the end of the period	<u>24.9664</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. Units are redeemable only in an application unit or multiple thereof at the dealing net asset value. Currently, creation and redemption of units will be effected in cash.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	RMB
Financial assets designated as at fair value through profit or loss:	
Listed equity securities	<u>14,092,039,164</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2012

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

RMB

Gains recognised in relation to financial assets at fair value through profit or loss:

Change in unrealised gains on investment

1,238,249,402

12. 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 bid 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 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 (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.

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.

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

NOTES TO FINANCIAL STATEMENTS

31 December 2012

12. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table shows an analysis of the Sub-Fund's financial assets measured at fair value at 31 December 2012:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	<u>14,076,145</u>	<u>-</u>	<u>15,894</u>	<u>14,092,039</u>

When fair values of listed equity and debt securities as well as publicly traded derivatives at the reporting date are based on quoted market prices or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

The Sub-Fund classifies all listed equity securities as Level 1 financial instruments, except for one listed equity securities GD Media Holding Co., Ltd ("GD Media") (stock code: 000527) which is classified as Level 3.

Transfers between Level 1 and Level 3

The following table shows all transfers between Level 1 and Level 3 of the fair value hierarchy for financial assets recognised at fair value:

	Transfer from Level 1 to Level 3 RMB
Financial assets designated as at fair value through profit or loss	
- Listed equity securities	<u>15,894,151</u>
Total	<u>15,894,151</u>

During the period from 11 July 2012 (date of inception) to 31 December 2012, following the suspension of trading on 24 August 2012, the Sub-Fund's investment in GD Media of RMB15,894,151 was reclassified from Level 1 to Level 3. During the period between the end of the reporting period and the date of authorisation of these financial statements, GD Media was still suspended from trading and no subsequent market price was available.

ChinaAMC CSI 300 Index ETF
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NOTES TO FINANCIAL STATEMENTS

31 December 2012

12. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The fair value of the suspended investment, for which there is currently no active market, is calculated using a valuation model which is accepted in the industry. The model incorporates both observable and non-observable data. Observable inputs include industry average Price to Earnings Ratio (“P/E ratio”), while unobservable inputs include assumptions regarding forecast earnings per share (“EPS”) and liquidity discount rate. The fair value was estimated by the Manager by multiplying the estimated EPS of the investment by the industry average P/E ratio and then adjusting the valued price by a liquidity discount.

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

	Change in earnings per share	Effect on the fair value of investment RMB	Effect on the net assets attributable to unitholders and on the change in net assets attributable to unitholders RMB
As at 31 December 2012			
- Equity securities	5%	801,800	721,620*
- Equity securities	-5%	(801,800)	(801,800)

* A ten per cent (10%) PRC withholding tax may be payable on the gains derived from the sale of A-Shares. The withholding tax will have a negative impact to the net assets attributable to the unitholders. The sensitivity analysis has taken in account of such impact.

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between 11 July 2012 (date of inception) and 31 December 2012.

	Financial assets designated as at fair value through profit or loss Equity securities RMB
Opening balance	-
Transfer into Level 3	15,894,151
Closing balance	15,894,151
Total gains and losses for the period included in profit or loss for assets held at the end of reporting period	-

NOTES TO FINANCIAL STATEMENTS

31 December 2012

13. CASH AND CASH EQUIVALENTS

RMB

Cash at bank	<u>169,200,343</u>
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The cash at bank held with Citibank, the Custodian and Administrator of the Sub-Fund, was placed into accounts bearing floating interest.

14. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

Pursuant to SFC guidelines for regulating index-tracking exchange traded funds (the “ETF guidelines”), the Sub-Fund is permitted to overweight underlying holdings of A-Shares relative to the respective weighting in the Index, subject to a maximum extra limit of 4% of the latest available net asset value of the Sub-Fund.

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

There were no investment of which A-Shares or basket of A-Shares accounted for more than 10% of the net asset value of the Sub-Fund as at 31 December 2012.

15. 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 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.

(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, either caused by factors specific to the individual instrument or factors affecting all instruments in the market.

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 CSI 300 Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the Index.

NOTES TO FINANCIAL STATEMENTS

31 December 2012

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

Risk management (continued)

(a) Market risk (continued)

(i) Market price risk (continued)

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 2012, the Sub-Fund's investments were concentrated in the following industries.

	Fair value RMB	% of net asset value
A-Shares holdings - By Sectors		
Consumer Discretionary	1,182,413,409	8.37%
Consumer Staples	994,070,716	7.04%
Energy	1,073,334,618	7.60%
Financials	5,621,491,162	39.82%
Health Care	679,646,091	4.81%
Industrials	2,045,108,810	14.49%
Information Technology	321,008,302	2.27%
Materials	1,720,545,948	12.19%
Telecommunication Services	105,653,205	0.75%
Utilities	348,766,903	2.47%
	<u>14,092,039,164</u>	<u>99.81%</u>

Sensitivity analysis in the event of a possible change in the Index by 5% as estimated by the Manager

As at 31 December 2012, if the CSI 300 Index was to increase by 5% with all other variables held constant, this would increase the pre-tax profit for the period by approximately RMB704 million. Conversely, if the CSI 300 Index was to decrease by 5%, this would decrease the pre-tax profit for the period by an approximately equal amount.

NOTES TO FINANCIAL STATEMENTS

31 December 2012

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

Risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk

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

The Manager considers that the Sub-Fund is not subject to significant risk due to fluctuations in the prevailing level of market interest rate. As the Sub-Fund has no investments in fixed income assets, the Manager considers that changes in the fair value 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 the Sub-Fund's functional currency. Assets and liabilities held by the Sub-Fund are mainly denominated in RMB, the functional currency of the Sub-Fund. Therefore, the Manager considers the Sub-Fund is not exposed to significant currency risk and no sensitivity analysis is presented.

(b) Credit and counterparty risk

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

All transactions by the Sub-Fund in securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

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

NOTES TO FINANCIAL STATEMENTS

31 December 2012

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

Risk management (continued)

(b) Credit and counterparty risk (continued)

As at 31 December 2012

	RMB	Credit rating	Source of credit rating
<u>Banks</u>			
Citibank N.A.	28,775,916	A	S&P
Citibank (China) Co., Limited	140,424,427	A	S&P
<u>Custodian</u>			
Citibank (China) Co., Limited	14,092,039,164	A	S&P

The Sub-Fund's maximum exposure to credit risk at the end of the reporting period is the carrying amount of total assets as shown on the statement of financial position.

The Manager considers that none of these assets are impaired nor past due as at 31 December 2012.

(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 2012, the Sub-Fund held liquid assets, comprising financial assets at fair value through profit or loss, cash and cash equivalent, and other receivables that are expected to readily generate cash inflows for managing liquidity risk.

The table below summarises the maturity profile of Sub-Fund's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

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NOTES TO FINANCIAL STATEMENTS

31 December 2012

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

Risk management (continued)

(c) Liquidity risk (continued)

At 31 December 2012	Due on demand RMB'000	Due within 1 month RMB'000	1 months to 1 year RMB'000	Total RMB'000
<u>Assets</u>				
Cash and cash equivalents	169,200	-	-	169,200
Financial assets at fair value through profit or loss	<u>14,076,145</u>	<u>-</u>	<u>15,894</u>	<u>14,092,039</u>
Total financial assets	<u><u>14,245,345</u></u>	<u><u>-</u></u>	<u><u>15,894</u></u>	<u><u>14,261,239</u></u>
<u>Liabilities</u>				
Management fee payable	-	6,899	-	6,899
Custodian, fund administration and trustee fee payable	-	2,266	-	2,266
Other payables and accruals	<u>-</u>	<u>-</u>	<u>778</u>	<u>778</u>
Total financial liabilities	<u><u>-</u></u>	<u><u>9,165</u></u>	<u><u>778</u></u>	<u><u>9,943</u></u>

Capital management

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

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

16. 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2012

16. SEGMENT INFORMATION (continued)

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

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

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

17. EVENTS AFTER THE REPORTING PERIOD

In February 2013, the Sub-Fund was approved for its application for the listing of Japanese Repository Receipt ("the JDR") which represents units of the Sub-Fund on the Tokyo Stock Exchange ("TSE").

18. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 28 March 2013.

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO

As at 31 December 2012

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
China (100%)			
Consumer Discretionary			
Anhui Jianghuai Auto Co Ltd	2,572,674	17,571,363	0.12%
Beijing Gehua CATV Network Co Ltd	1,852,262	12,410,155	0.09%
Beijing Wangfujing Department Store Co Ltd	723,895	17,344,524	0.12%
Beiqi Foton Motor Co Ltd	3,845,510	25,880,282	0.18%
BYD Co Ltd	334,162	6,800,197	0.05%
China International Travel Service Co Ltd	749,945	20,563,492	0.15%
China South Publishing & Media Group Co Ltd	1,510,083	13,500,142	0.10%
Chongqing Changan Automobile Co Ltd	5,282,045	35,125,599	0.25%
CITIC Guoan Information Industry Co Ltd	2,637,219	15,876,058	0.11%
Dashang Co Ltd	773,088	27,266,814	0.19%
FAW Car Co Ltd	2,269,220	18,879,910	0.13%
Fuyao Group Glass Industries Co Ltd	3,880,214	34,029,477	0.24%
Gd Midea Holding Co Ltd	1,731,389	15,894,151	0.11%
GoerTek Inc	962,160	36,273,432	0.26%
Great Wall Motor Co Ltd	1,130,678	26,797,069	0.19%
Gree Electric Appliances Inc of Zhuhai	5,998,091	152,951,321	1.08%
Haining China Leather Market Co Ltd	402,106	10,687,977	0.08%
Huayu Automotive Systems	2,964,086	33,138,481	0.23%
Jiangsu Phoenix Publishing & Media Co Ltd	2,202,496	14,932,923	0.11%
Joeone Co Ltd	407,556	6,594,256	0.05%
Liaoning Cheng Da Co Ltd	3,788,070	56,783,169	0.40%
NavInfo Co Ltd	912,989	10,709,361	0.08%
Pangda Automobile Trade Co Ltd	1,494,734	7,727,775	0.05%
Qingdao Haier Co Ltd	4,524,137	60,623,436	0.43%
SAIC Motor Co Ltd	6,077,318	107,203,890	0.76%
Shanghai Jahwa United Co Ltd	788,741	40,217,904	0.29%
Shanghai Oriental Pearl (Group) Co Ltd	4,507,504	25,061,722	0.18%
Shanghai Yuyuan Tourist Mart Co Ltd	3,296,132	23,666,228	0.17%
Shenzhen Overseas Chinese Town Co Ltd	10,188,429	76,413,218	0.54%
Sichuan Changhong Electric Co Ltd	10,257,000	21,129,420	0.15%
Suning Appliance Co Ltd	12,439,114	82,720,108	0.59%
TCL Corporation	23,700,000	51,903,000	0.37%
Wanxiang Qianchao Co Ltd	2,256,908	10,133,517	0.07%
Weifu High-Technology Group Co Ltd	1,124,014	35,856,047	0.25%
Youngor Group Co Ltd	3,765,442	29,746,992	0.21%

ChinaAMC CSI 300 Index ETF
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	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
<u>(continued)</u>			
China (100%)			
Consumer Staples			
Beijing Dabeinong Technology Group Co Ltd	1,128,475	24,375,060	0.17%
Beijing Yanjing Brewery Co Ltd	3,603,243	20,322,291	0.14%
Chongqing Brewery Co Ltd	771,488	11,857,771	0.08%
Dalian Zhangzidao Fishery	766,063	12,088,474	0.09%
Fujian Sunner Development Co Ltd	1,100,498	11,753,319	0.08%
Gansu Yasheng Industrial (Group) Co Ltd	3,789,544	25,882,586	0.18%
Heilongjiang Agriculture Co Ltd	1,914,999	15,626,392	0.11%
Henan Shuanghui Investment & Development Co Ltd	805,200	46,621,080	0.33%
Inner Mongolia Yili Industrial Group Co Ltd	4,514,110	99,220,138	0.70%
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	795,704	74,294,882	0.53%
Kweichow Moutai Co Ltd	1,139,534	238,185,397	1.69%
Luzhou Lao Jiao Co Ltd	1,906,079	67,475,197	0.48%
Meihua Monosodium Glutamate	2,264,268	12,294,975	0.09%
New Hope Liuhe Co Ltd	1,496,585	18,692,347	0.13%
Shanghai Friendship Group Incorporated Co	2,236,696	19,190,852	0.14%
Shanxi Xinghuacun Fen Wine Factory Co Ltd	746,633	31,104,731	0.22%
Shenzhen Agricultural Products Co Ltd	3,054,490	17,410,593	0.12%
Sichuan Swellfun Co Ltd	974,094	18,868,201	0.13%
Tsingtao Brewery Co Ltd	1,087,375	35,948,618	0.26%
Wuliangye Yibin Co Ltd	5,291,316	149,373,851	1.06%
Yantai Changyu Pioneer	377,994	17,765,718	0.13%
Yonghui Superstores Co Ltd	723,749	18,245,712	0.13%
Zhejiang Beingmate Scientific-Industrial-Trade Share Co Ltd	338,430	7,472,534	0.05%
Energy			
Anhui Hengyuan Coal Industry and Electricity Power Co Ltd	1,479,905	19,061,176	0.14%
Beijing Haohua Energy Resource Co Ltd	1,371,249	18,265,037	0.13%
China Coal Energy Co Ltd	5,177,079	40,484,758	0.29%
China Oilfield Services Limited	1,550,070	25,421,148	0.18%
China Petroleum and Chemical Corp (Sinopec)	11,930,613	82,559,842	0.59%
China Shenhua Energy Co Ltd	9,204,286	233,328,650	1.65%
Datong Coal Industry Co Ltd	1,882,405	17,393,422	0.12%
Guizhou Panjiang Refined Coal Co Ltd	1,476,611	25,131,919	0.18%
Henan Shen Huo Coal Industry and Electricity Power Co Ltd	2,698,287	20,318,101	0.14%
Huolinhe Opencut Coal Industry Corporation Limited of Innermongolia	1,125,302	15,101,553	0.11%
Inner Mongolia Pingzhuang	1,133,997	10,863,691	0.08%

ChinaAMC CSI 300 Index ETF
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	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
<u>(continued)</u>			
China (100%)			
Energy (continued)			
Jizhong Energy Resources Co Ltd	1,903,590	26,326,650	0.19%
Offshore Oil Engineering Co Ltd	5,387,187	31,622,788	0.22%
Petrochina Co Ltd	9,801,566	88,606,157	0.63%
Pingdingshan Tianan Coal Mining Co Ltd	3,373,200	28,807,128	0.20%
SDIC Xinji Energy Co Ltd	1,521,914	14,564,717	0.10%
Shanghai Datun Energy Resources Co Ltd	770,384	12,395,479	0.09%
Shanxi Lanhua Science-Tech Venture Co Ltd	1,896,170	38,473,289	0.27%
Shanxi Lu'an Environmental Energy Development Co Ltd	2,624,640	57,453,370	0.41%
Shanxi Xishan Coal And Electricity Power Co Ltd	4,495,487	62,532,224	0.44%
Taiyuan Coal Gasification Co Ltd	744,106	9,182,268	0.07%
Xinjiang Guanghui Industry	5,990,972	98,192,031	0.70%
Yangquan Coal Industry Group Co Ltd	3,387,917	49,226,434	0.35%
Yantai Jereh Oilfield Services Group Co Ltd	414,836	19,762,787	0.14%
Yanzhou Coal Mining Co Ltd	1,550,192	28260,000	0.20%
Financial Institution			
Agricultural Bank of China Co Ltd	70,616,696	197,726,749	1.40%
Bank of Beijing Co Ltd	14,739,132	137,073,928	0.97%
Bank of China Ltd	18,801,300	54,899,796	0.39%
Bank of Communications Co LTD	65,402,311	323,087,416	2.29%
Bank of Nanjing Co Ltd	5,811,131	53,462,405	0.38%
Bank of Ningbo Co Ltd	3,192,830	34,035,568	0.24%
Beijing Capital Development Co Ltd	2,121,310	27,831,587	0.20%
Beijing Urban Construction Investment & Development Co Ltd	1,164,427	17,338,318	0.12%
Changjiang Securities Co Ltd	4,572,738	42,983,737	0.30%
China Citic Bank Corporation Limited	7,683,868	32,963,794	0.23%
China Construction Bank	26,848,089	123,501,209	0.87%
China Everbright Bank Co Ltd	33,972,037	103,614,712	0.73%
China Life Insurance Co Ltd	4,165,442	89,140,459	0.63%
China Merchants Bank Co Ltd	34,658,044	476,548,105	3.38%
China Merchants Property Development Co Ltd	1,898,731	56,753,070	0.40%
China Merchants Securities Co Ltd	6,444,770	67,992,323	0.48%
China Minsheng Banking Corp Ltd	63,207,835	496,813,583	3.52%
China Pacific Insurance (Group) Co Ltd	8,715,111	196,089,997	1.39%
China Vanke Co Ltd	27,155,276	274,811,393	1.95%
CITIC Securities Co Ltd	19,260,526	257,320,627	1.82%
Everbright Securities Co Ltd	3,787,972	53,410,405	0.38%
Financial Street Holding Co Ltd	6,790,769	45,837,691	0.32%

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	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
<u>(continued)</u>			
China (100%)			
Financial Institution (continued)			
Founder Securities Co Ltd	5,196,927	22,918,448	0.16%
Gemdale Corporation	12,479,716	87,607,606	0.62%
GF Securities Co., Ltd.	4,924,472	75,935,358	0.54%
Guoyuan Securities Co Ltd	2,672,049	29,766,626	0.21%
Haitong Securities Co Ltd	22,649,783	232,160,276	1.64%
Hong Yuan Securities Co Ltd	1,581,366	29,808,749	0.21%
Huatai Securities Co Ltd	4,631,895	45,392,571	0.32%
Huaxia Bank Co Ltd	9,516,755	98,498,414	0.70%
Industrial and Commercial Bank of China Ltd	43,379,724	180,025,855	1.28%
Industrial Bank	21,139,209	352,813,398	2.50%
Industrial Securities Co Ltd	4,310,579	52,933,910	0.37%
New China Life Insurance Co Ltd	395,999	11,412,691	0.08%
Northeast Securities Co Ltd	742,885	12,406,180	0.09%
Oceanwide Real Estate Group	3,789,386	20,462,684	0.14%
The Pacific Securities Co.Ltd	1,876,174	10,262,672	0.07%
Ping An Bank Co., Ltd.	7,170,242	114,867,277	0.81%
Ping An Insurance (Group) Company of China Ltd	9,419,775	426,621,610	3.02%
Poly Real Estate Group Co Ltd	12,054,066	163,935,298	1.16%
Risesun Real Estate Development Co Ltd	1,527,935	21,375,811	0.15%
Shanghai Pudong Development Bank Co Ltd	31,330,306	310,796,636	2.20%
Shanghai Zhangjiang Hi-tech Park Development Co Ltd	2,226,947	15,633,168	0.11%
Shanxi Securities Co Ltd	1,939,100	14,213,603	0.10%
Sinolink Securities Co. Ltd.	1,127,774	20,119,488	0.14%
Soochow Securities Co Ltd	1,622,844	13,080,123	0.09%
Southwest Securities Co Ltd	3,326,553	29,706,118	0.21%
Suning Universal Co Ltd	2,271,480	18,012,836	0.13%
Xinhu Zhongbao Co Ltd	5,184,643	22,345,811	0.16%
Zhejiang China Commodities City Group Co Ltd	3,786,306	25,141,072	0.18%
Health Care			
Beijing SL Pharmaceutical Co Ltd	722,761	28,592,425	0.20%
Beijing Tongrentang Co Ltd	1,868,522	33,297,062	0.24%
China Resources Double-Crane Pharmaceutical Co.,Ltd.	1,044,208	23,703,521	0.17%
China Resources Sanjiu Medical & Pharmaceutical Co Ltd	1,122,398	26,600,833	0.19%
Guangxi Wuzhou Zhongheng Group Co Ltd	2,387,017	21,793,465	0.15%
Harbin Pharmaceutical Group Co Ltd	2,652,242	16,390,856	0.12%
Hualan Biological Engineering INC	769,256	16,185,146	0.11%
Jiangsu Hengrui Medicine Co Ltd	1,843,290	55,483,029	0.39%
Jilin Aodong Medicine Industry (Groups) Co Ltd	1,919,167	32,625,839	0.23%

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	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
<u>(continued)</u>			
China (100%)			
Health Care (continued)			
Kangmei Pharmaceutical Co Ltd	4,208,166	55,295,301	0.39%
North China Pharm Co	2,278,972	12,671,084	0.09%
Shandong Dong-Ee Jiao Co Ltd	1,496,074	60,456,350	0.43%
Shanghai Fosun Pharmaceutical (Group) Co Ltd	3,274,131	34,345,634	0.24%
Shanghai Pharmaceuticals Co Ltd	2,657,049	29,519,814	0.21%
Shenzhen Hepalink Pharmaceutical Co Ltd	395,962	7,424,288	0.05%
Shijiazhuang Yiling Pharmaceutical Co Ltd	358,110	8,333,220	0.06%
Sichuan Kelun Pharmaceutical Co Ltd	730,935	40,946,979	0.29%
Tianjin Tasly Pharma-Class A	785,738	43,427,739	0.31%
Yunnan Baiyao Industry Co Ltd	1,086,974	73,914,232	0.52%
Zhejiang Hisun Pharmaceutical Co Ltd	1,482,827	22,079,294	0.16%
Zhejiang Medicine Co Ltd	755,402	15,878,550	0.11%
Zhejiang NHU Co Ltd	1,100,076	20,681,429	0.15%
Industrials			
Air China Ltd	7,065,004	42,390,024	0.30%
Baoding Tianwei Baobian Electric Co Ltd	1,895,149	12,337,420	0.09%
Beijing Orient Landscape Co Ltd	365,298	22,900,532	0.16%
Changsha Zoomlion Heavy Industry	12,347,956	113,724,675	0.81%
China Avic Avionics Equipment	877,308	13,905,332	0.10%
China Baoan Group	3,030,501	26,668,409	0.19%
China CNR Corp Ltd	11,521,551	51,962,195	0.37%
China Cosco Holdings Ltd	6,415,591	28,292,756	0.20%
China Cssc Holdings Ltd	1,518,506	35,290,079	0.25%
China Dongfanghong Spacesat Co Ltd	1,185,064	14,493,333	0.10%
China Eastern Airlines Corp Ltd	6,504,038	22,829,173	0.16%
China Erzhong Group Deyang	954,354	4,829,031	0.03%
China First Heavy Industries Co Ltd	7,304,492	20,598,667	0.15%
China International Marine Containers (Group) Co Ltd	2,359,599	27,206,176	0.19%
China National Chemical	5,543,487	45,678,333	0.32%
China Railway Erju Co Ltd	1,958,592	13,083,395	0.09%
China Railway Group Ltd	14,359,213	43,652,008	0.31%
China Railway Tielong Container Logistics Co Ltd	2,617,292	18,818,329	0.13%
China Railways Construction Co Ltd	8,664,240	50,859,089	0.36%
China Shipbuilding Industry Co Ltd	12,328,815	58,808,448	0.42%
China Shipping Container Lines Co Ltd	6,733,400	16,429,496	0.12%
China South Locomotive	9,854,950	48,880,552	0.35%
China Southern Airlines Co Ltd	9,823,330	38,409,220	0.27%
China State Construction Engineering Co Ltd	42,044,403	163,973,172	1.16%

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	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
<u>(continued)</u>			
China (100%)			
Industrials (continued)			
China XD Electric Co Ltd	4,872,315	16,955,656	0.12%
Daqin Railway Co Ltd	16,618,931	112,343,974	0.80%
Dongfang Electrical Machinery Co Ltd	1,880,092	26,114,478	0.18%
Fangda Carbon New Material	1,858,393	16,502,530	0.12%
Gezhouba Co Ltd	5,757,599	31,609,219	0.22%
Guangshen Railway	7,911,479	23,101,519	0.16%
Guangxi Liugong Machinery Co Ltd	2,248,280	22,505,283	0.16%
Hainan Airlines Co Ltd	3,316,669	14,029,510	0.10%
Jiansu Zhongnan Construction Group Co. Ltd	1,014,768	13,922,617	0.10%
Jiangxi Hongdu Aviation	1,153,029	15,819,558	0.11%
Jihua Group Corp Ltd	3,173,454	9,552,097	0.07%
Mesnac Co Ltd	1,576,017	11,914,689	0.08%
Metallurgical Corporation of China Co Ltd	13,580,550	30,692,043	0.22%
Minmetals Development Co Ltd	1,149,720	19,740,692	0.14%
NARI Technology Development Co Ltd	2,642,330	42,356,550	0.30%
Ningbo Port Co Ltd	10,774,565	27,690,632	0.20%
Orient Group Incorporation	3,764,431	20,440,860	0.14%
Palm Landscape Architecture Co Ltd	392,989	9,038,747	0.06%
Sany Heavy Industry Co Ltd	8,489,965	89,908,729	0.64%
Shanghai Construction Co Ltd	1,901,700	14,852,277	0.11%
Shanghai International Airport Co Ltd	2,658,249	33,121,783	0.23%
Shanghai Zhenhua Heavy Industry	4,989,793	16,915,398	0.12%
Shantui Construction Machine	2,605,786	12,690,178	0.09%
Shanxi Coal International	589,407	11,994,432	0.09%
Sinochem Intl Corporation	2,030,455	11,736,030	0.08%
Sinohydro Group Ltd	10,790,736	41,220,612	0.29%
Sinoma International Engineering Co Ltd	1,159,369	14,283,426	0.10%
Sinovel Wind Group Co Ltd	2,258,727	11,880,904	0.08%
Suzhou Gold Mantis Construction Decoration Co Ltd	786,950	34,641,539	0.25%
Taiyuan Heavy Industry Co Ltd	4,817,835	17,488,741	0.12%
Tianma Bearing Group Co Ltd	1,712,302	9,451,907	0.07%
Wei Chai Power Co Ltd	2,614,735	66,178,943	0.47%
XCMG Construction Machinery Co Ltd	3,414,155	39,365,207	0.28%
Xiamen C&D Inc	3,771,714	26,515,149	0.19%
Xi'An Aero-Engine PLC	1,512,484	19,102,673	0.14%
Xi'an Aircraft International Corp	3,611,869	30,050,750	0.21%
Xi'an Shaangu Power Co Ltd	1,447,674	13,058,019	0.09%
Xinjiang Goldwind Science & Technology Co Ltd	4,260,626	22,964,774	0.16%

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	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
<u>(continued)</u>			
China (100%)			
Industrials (continued)			
Xinjiang Tebian Electric	7,296,629	47,136,223	0.33%
Zhengzhou Coal Mining Machinery Group Co Ltd	2,288,415	23,616,443	0.17%
Zhengzhou Yutong Bus Co Ltd	1,451,753	36,584,176	0.26%
Information Technology			
Aisino Co Ltd	1,520,963	22,540,672	0.16%
BOE Technology Group Co Ltd	23,897,632	54,247,625	0.38%
Fiberhome Telecommunication Technologies Co Ltd	732,282	16,666,738	0.12%
Guangdong Shengyi Science	1,956,112	8,235,232	0.06%
Hangzhou Hikvision Digital Technology Co Ltd	1,128,436	35,105,644	0.25%
Jiangsu Zongyi Co Ltd	1,879,857	11,636,315	0.08%
Neusoft Corporation	2,322,815	17,862,447	0.13%
Sanan Optoelectronics Co Ltd	1,924,461	26,326,626	0.19%
Shenzhen Great Wall Kaifa	1,875,068	8,831,570	0.06%
Lai Bao Hi-Tech	1,143,414	17,505,668	0.12%
Tsinghua Tongfang Co Ltd	4,505,321	33,699,801	0.24%
Yonyou Software Co., Ltd	1,451,037	14,307,225	0.10%
ZTE Corporation	5,542,845	54,042,739	0.38%
Materials			
Advanced Technology & Materials Co Ltd	1,492,427	15,760,029	0.11%
Aluminum Corporation of China Limited	7,986,130	40,968,847	0.29%
Angang Steel Co Ltd	5,111,507	19,832,647	0.14%
Anhui Conch Cement Co Ltd	5,644,647	104,143,737	0.74%
Baoji Titanium Industry Co Ltd	713,547	12,658,324	0.09%
Baoshan Iron & Steel Co Ltd	14,714,290	71,952,878	0.51%
BBMG Corporation	2,632,162	21,320,512	0.15%
Chenzhou Mining Group Co Ltd	1,507,182	30,264,215	0.21%
China Hainan Rubber Industry Group Co Ltd	3,353,129	19,045,773	0.13%
China Nonferrous Metal Industry's Foreign Engineering & Construction Corp	1,184,055	24,154,722	0.17%
Chongyi Zhangyuan Tungsten Co Ltd	339,345	8,266,444	0.06%
CSG Holding Co Ltd	3,745,474	30,900,160	0.22%
Gansu Jiu Steel Group Hongxing Iron & Steel Co Ltd	2,386,937	7,829,153	0.06%
Hebei Iron & Steel Co., Ltd	11,846,309	31,748,108	0.22%
Henan Zhongfu Industry Co Ltd	2,101,707	10,382,433	0.07%
Hengyi Petrochemical Co Ltd	1,033,760	11,516,086	0.08%
Hubei Yihua Chemical Industry Co Ltd	1,923,289	21,367,741	0.15%

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
<u>(continued)</u>			
China (100%)			
Materials (continued)			
Inner Mongolia Baotou Steel	4,127,727	154,583,376	1.09%
Inner Mongolia Junzheng Energy & Chemical Industry Co Ltd	1,115,011	6,935,368	0.05%
Inner Mongolian Baotou Steel	7,177,881	38,760,557	0.27%
Jiangxi Copper Co Ltd	2,280,440	54,411,298	0.39%
Ji Lin Ji En Nickel Industry Co Ltd	1,133,974	15,308,649	0.11%
Jilin Yatai (Group) Co Ltd	5,290,818	26,559,906	0.19%
Jinduicheng Molybdenum Co Ltd	2,661,200	31,162,652	0.22%
Kailuan Energy Chemical Co Ltd	1,725,816	17,637,840	0.12%
Kingfa Sci&Tech Co Ltd	5,221,811	28,145,561	0.20%
Liaoning Huajin Tongda Chemicals Co Ltd	1,615,871	11,004,082	0.08%
Luxin Venture Capital Group	615,625	6,802,656	0.05%
Pangang Group Steel Vanadium & Titanium Co Ltd	12,064,739	49,706,725	0.35%
Qinghai Salt Lake Industry Co Ltd	1,856,974	49,766,903	0.35%
Rising Nonferrous Metal Share Co Ltd	368,609	21,556,254	0.15%
Rongsheng Petro Chemical	717,749	7,809,109	0.06%
Shandong Gold-Mining Co Ltd	1,915,477	73,094,602	0.52%
Shandong Iron And Steel Co Ltd	5,563,032	12,183,040	0.09%
Shandong Nanshan Industrial Co Ltd	3,191,468	21,765,812	0.15%
Shanxi Taigang Stainless Steel Co Ltd	6,400,448	23,105,617	0.16%
Shenzhen Zhongjin Lingnan Nonfemet Co Ltd	4,123,714	37,319,612	0.26%
Sichuan Hongda Co Ltd	2,277,947	15,239,465	0.11%
Tangshan Jidong Cement Co Ltd	1,509,227	20,827,333	0.15%
Tongkun Group Co Ltd	770,519	5,540,032	0.04%
Tongling Nonferrous Metals Group Co. Ltd	1,914,977	36,193,065	0.26%
Western Mining Co Ltd	5,301,240	41,561,722	0.29%
Wuhan Iron And Steel Co Ltd	11,310,779	31,330,858	0.22%
Xiamen Tungsten Co Ltd	756,472	29,487,279	0.21%
Xinjiang Zhongtai Chemical	2,624,728	18,688,063	0.13%
Xinxing Ductile Iron Pipes Co Ltd	2,652,251	17,133,541	0.12%
Yantai Wanhua Polyurethane Co Ltd	3,020,720	47,153,439	0.33%
Yunnan Aluminium Co Ltd	2,628,945	13,854,540	0.10%
Yunnan Chihong Zinc&Germanium Co Ltd	1,872,076	26,489,875	0.19%
Yunnan Copper Co Ltd	1,913,694	28,954,190	0.21%
Yunnan Tin Co Ltd	1,169,650	23,252,642	0.16%
Yunnan Yuntianhua Co Ltd	759,539	9,843,625	0.07%
Zhejiang Ju Hua Co Ltd	1,530,358	14,140,508	0.10%
Zhejiang Longsheng Group Co Ltd	2,908,589	17,655,135	0.13%

ChinaAMC CSI 300 Index ETF
(a Sub-Fund of ChinaAMC ETF Series)

	Holdings Shares	Market Value RMB	% of NAV
<u>Financial assets at fair value through profit or loss (100%)</u>			
<u>(continued)</u>			
China (100%)			
Materials (continued)			
Zhongjin Gold Co Ltd	4,137,652	68,809,153	0.49%
Zijin Mining Group Co Ltd	22,104,452	84,660,051	0.60%
Telecommunication Services			
Chengdu Dr. Peng Technology Co Ltd	3,769,402	22,465,636	0.16%
China United Network Communications Co Ltd	23,767,877	83,187,569	0.59%
Utilities			
China Yangtze Power Co Ltd	13,891,010	95,431,239	0.68%
Chongqing Water Group Co Ltd	2,653,941	14,092,427	0.10%
Datang Intl Power Gen Co Ltd	5,637,284	22,718,255	0.16%
GD Power Development Co Ltd	21,585,321	56,769,394	0.40%
Huaneng Power International Inc	8,767,406	62,599,279	0.44%
Inner Mongolia Mengdian Huaneng Thermal Power Corp Ltd	2,231,807	16,738,553	0.13%
Shanghai Chengtuo Holding Co Ltd	4,163,651	22,775,171	0.17%
Shenergy Co Ltd	7,931,522	35,057,327	0.26%
Sichuan Chuantou Energy Co Ltd	2,701,586	22,585,258	0.17%
TOTAL INVESTMENTS, AT FAIR VALUE		14,092,039,164	99.81%
TOTAL INVESTMENTS, AT COST		12,853,789,762	

ChinaAMC CSI 300 Index ETF
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MOVEMENTS IN INVESTMENT PORTFOLIO

For the period from 11 July 2012 (date of inception) to 31 December 2012

INVESTMENTS	Holdings as at 11 July 2012 (date of inception)	Additions	Corporate Action	Disposals	Holdings as at 31 December 2012
<u>Financial assets at fair value through profit or loss</u>					
Listed Securities					
Advanced Technology & Materials Co Ltd	-	1,492,427	-	-	1,492,427
Agricultural Bank of China Co Ltd	-	70,616,696	-	-	70,616,696
Air China Ltd	-	7,065,004	-	-	7,065,004
Aisino Co Ltd	-	1,520,963	-	-	1,520,963
Aluminum Corporation of China Limited	-	7,986,130	-	-	7,986,130
Angang Steel Co Ltd	-	5,111,507	-	-	5,111,507
Anhui Conch Cement Co Ltd	-	5,644,647	-	-	5,644,647
Anhui Hengyuan Coal Industry and Electricity Power Co Ltd	-	1,479,905	-	-	1,479,905
Anhui Jianghuai Auto Co Ltd	-	2,572,674	-	-	2,572,674
Bank of Beijing Co Ltd	-	14,739,132	-	-	14,739,132
Bank of China Ltd	-	18,801,300	-	-	18,801,300
Bank of Communications Co LTD	-	65,402,311	-	-	65,402,311
Bank of Nanjing Co Ltd	-	5,811,131	-	-	5,811,131
Bank of Ningbo Co Ltd	-	3,192,830	-	-	3,192,830
Baoding Tianwei Baobian Electric Co Ltd	-	1,895,149	-	-	1,895,149
Baoji Titanium Industry Co Ltd	-	713,547	-	-	713,547
Baoshan Iron & Steel Co Ltd	-	14,714,290	-	-	14,714,290
BBMG Corporation	-	2,632,162	-	-	2,632,162
Beijing Capital Development Co Ltd	-	2,121,310	-	-	2,121,310
Beijing Dabeinong Technology Group Co Ltd	-	1,128,475	-	-	1,128,475
Beijing Gehua CATV Network Co Ltd	-	1,852,262	-	-	1,852,262
Beijing Haohua Energy Resource Co Ltd	-	1,371,249	-	-	1,371,249
Beijing Orient Landscape Co Ltd	-	365,298	-	-	365,298
Beijing SL Pharmaceutical Co Ltd	-	722,761	-	-	722,761
Beijing Tongrentang Co Ltd	-	1,868,522	-	-	1,868,522
Beijing Urban Construction Investment & Development Co Ltd	-	1,164,427	-	-	1,164,427
Beijing Wangfujing Department Store Co Ltd	-	723,895	-	-	723,895
Beijing Yanjing Brewery Co Ltd	-	3,603,243	-	-	3,603,243
Beiqi Foton Motor Co Ltd	-	3,845,510	-	-	3,845,510

ChinaAMC CSI 300 Index ETF
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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 11 July 2012 (date of inception) to 31 December 2012

INVESTMENTS (continued)	Holdings			Holdings	
	As at 11		Corporate	Disposals	As at 31
	July	Additions	Action		December
	2012 (date				2012
	of inception)				
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed Securities (Continued)					
BOE Technology Group Co Ltd	-	23,897,632	-	-	23,897,632
BYD Co Ltd	-	334,162	-	-	334,162
Changjiang Securities Co Ltd	-	4,572,738	-	-	4,572,738
Changsha Zoomlion Heavy Industry	-	12,347,956	-	-	12,347,956
Chengdu Dr. Peng Technology Co Ltd	-	3,769,402	-	-	3,769,402
Chenzhou Mining Group Co Ltd	-	1,507,182	-	-	1,507,182
China Avic Avionics Equipment	-	877,308	-	-	877,308
China Baoan Group	-	3,030,501	-	-	3,030,501
China Citic Bank Corporation Limited	-	7,683,868	-	-	7,683,868
China CNR Co Ltd	-	11,521,551	-	-	11,521,551
China Coal Energy Co Ltd	-	5,177,079	-	-	5,177,079
China Construction Bank	-	26,848,089	-	-	26,848,089
China Cosco Holdings Ltd	-	6,415,591	-	-	6,415,591
China Cssc Holdings Ltd	-	1,518,506	-	-	1,518,506
China Dongfanghong Spacesat Co Ltd	-	1,185,064	-	-	1,185,064
China Eastern Airlines Corp Ltd	-	6,504,038	-	-	6,504,038
China Erzhong Group Deyang	-	954,354	-	-	954,354
China Everbright Bank Co Ltd	-	33,972,037	-	-	33,972,037
China First Heavy Industries Co Ltd	-	7,304,492	-	-	7,304,492
China Hainan Rubber Industry Group Co Ltd	-	3,353,129	-	-	3,353,129
China International Travel Service Co Ltd	-	749,945	-	-	749,945
China International Marine Containers (Group) Co Ltd	-	2,359,599	-	-	2,359,599
China Life Insurance Co Ltd	-	4,165,442	-	-	4,165,442
China Merchants Bank Co Ltd	-	34,658,044	-	-	34,658,044
China Merchants Property Development Co Ltd	-	1,898,731	-	-	1,898,731
China Merchants Securities Co Ltd	-	6,444,770	-	-	6,444,770
China Minsheng Banking Corp Ltd	-	63,207,835	-	-	63,207,835
China National Chemical	-	5,543,487	-	-	5,543,487
China Nonferrous Metal Industry's Foreign Engineering & Construction Corp	-	1,184,055	-	-	1,184,055

ChinaAMC CSI 300 Index ETF
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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 11 July 2012 (date of inception) to 31 December 2012

INVESTMENTS (continued)	Holdings As at 11 July 2012 (date of inception)	Additions	Corporate Action	Disposals	Holdings As at 31 December 2012
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed Securities (Continued)					
China Oilfield Services Limited	-	1,550,070	-	-	1,550,070
China Pacific Insurance (Group) Co Ltd	-	8,715,111	-	-	8,715,111
China Petroleum and Chemical Corp (Sinopec)	-	11,930,613	-	-	11,930,613
China Railway Erju Co Ltd	-	1,958,592	-	-	1,958,592
China Railway Group Ltd	-	14,359,213	-	-	14,359,213
China Railway Tielong Container Logistics Co Ltd	-	2,617,292	-	-	2,617,292
China Railway Construction Co Ltd	-	8,664,240	-	-	8,664,240
China Resources Double-Crane Pharmaceutical Co.,Ltd.	-	1,044,208	-	-	1,044,208
China Resources Sanjiu Medical & Pharmaceutical Co Ltd	-	1,122,398	-	-	1,122,398
China Shenhua Energy Co Ltd	-	9,204,286	-	-	9,204,286
China Shipbuilding Industry Co Ltd	-	12,328,815	-	-	12,328,815
China Shipping Container Lines Co Ltd	-	6,733,400	-	-	6,733,400
China South Locomotive	-	9,854,950	-	-	9,854,950
China South Publishing & Media Group Co Ltd	-	1,510,083	-	-	1,510,083
China Southern Airlines Co Ltd	-	9,823,330	-	-	9,823,330
China State Construction Engineering Co Ltd	-	42,044,403	-	-	42,044,403
China United Network Communications Co Ltd	-	23,767,877	-	-	23,767,877
China Vanke Co Ltd	-	27,155,276	-	-	27,155,276
China XD Electric Co Ltd	-	4,872,315	-	-	4,872,315
China Yangtze Power Co Ltd	-	13,891,010	-	-	13,891,010
Chongqing Brewery Co Ltd	-	771,488	-	-	771,488
Chongqing Changan Automobile Co Ltd	-	5,282,045	-	-	5,282,045
Chongqing Water Group Co Ltd	-	2,653,941	-	-	2,653,941
Chongyi Zhangyuan Tungsten Co Ltd	-	339,345	-	-	339,345
CITIC Guoan Information Industry Co Ltd	-	2,637,219	-	-	2,637,219
CITIC Securities Co Ltd	-	19,260,526	-	-	19,260,526
CSG Holding Co Ltd	-	3,745,474	-	-	3,745,474
Dalian Zhangzidao Fishery	-	766,063	-	-	766,063
Daqin Railway Co Ltd	-	16,618,931	-	-	16,618,931
Dashang Co Ltd	-	773,088	-	-	773,088

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 11 July 2012 (date of inception) to 31 December 2012

INVESTMENTS (continued)	Holdings As at 11 July 2012 (date of inception)	Additions	Corporate Action	Disposals	Holdings As at 31 December 2012
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed Securities (Continued)					
Datang Intl Power Gen Co Ltd	-	5,637,284	-	-	5,637,284
Datong Coal Industry Co Ltd	-	1,882,405	-	-	1,882,405
Dongfang Electrical Machinery Co Ltd	-	1,880,092	-	-	1,880,092
Everbright Securities Co Ltd	-	3,787,972	-	-	3,787,972
Fangda Carbon New Material	-	1,858,393	-	-	1,858,393
FAW Car Co Ltd	-	2,269,220	-	-	2,269,220
Fiberhome Telecommunication Technologies Co Ltd	-	732,282	-	-	732,282
Financial Street Holding Co Ltd	-	6,790,769	-	-	6,790,769
Founder Securities Co Ltd	-	5,196,927	-	-	5,196,927
Fujian Sunner Development Co Ltd	-	1,100,498	-	-	1,100,498
Fuyao Group Glass Industries Co Ltd	-	3,880,214	-	-	3,880,214
Gansu Jiu Steel Group Hongxing Iron & Steel Co Ltd	-	2,386,937	-	-	2,386,937
Gansu Yasheng Industrial (Group) Co Ltd	-	3,789,544	-	-	3,789,544
Gd Midea Holding Co Ltd	-	1,731,389	-	-	1,731,389
GD Power Development Co Ltd	-	21,585,321	-	-	21,585,321
Gemdale Corporation	-	12,479,716	-	-	12,479,716
Gezhouba Co Ltd	-	5,757,599	-	-	5,757,599
GF Securities Co., Ltd.	-	4,924,472	-	-	4,924,472
GoerTek Inc	-	962,160	-	-	962,160
Great Wall Motor Co Ltd	-	1,130,678	-	-	1,130,678
Gree Electric Appliances Inc of Zhuohai	-	5,998,091	-	-	5,998,091
Guangdong Shengyi Science	-	1,956,112	-	-	1,956,112
Guangshen Railway	-	7,911,479	-	-	7,911,479
Guangxi Liugong Machinery Co Ltd	-	2,248,280	-	-	2,248,280
Guangxi Wuzhou Zhongheng Group Co Ltd	-	2,387,017	-	-	2,387,017
Guizhou Panjiang Refined Coal Co Ltd	-	1,476,611	-	-	1,476,611
Guoyuan Securities Co Ltd	-	2,672,049	-	-	2,672,049
Hainan Airlines Co Ltd	-	3,316,669	-	-	3,316,669
Haining China Leather Market Co Ltd	-	402,106	-	-	402,106
Haitong Securities Co Ltd	-	22,649,783	-	-	22,649,783
Hangzhou Hikvision Digital Technology Co Ltd	-	1,128,436	-	-	1,128,436
Harbin Pharmaceutical Group Co Ltd	-	2,652,242	-	-	2,652,242
Hebei Iron & Steel Co., Ltd	-	11,846,309	-	-	11,846,309
Heilongjiang Agriculture Co Ltd	-	1,914,999	-	-	1,914,999

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 11 July 2012 (date of inception) to 31 December 2012

INVESTMENTS (continued)	Holdings As at 11 July 2012 (date of inception)	Additions	Corporate Action	Disposals	Holdings As at 31 December 2012
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed Securities (Continued)					
Henan Shen Huo Coal Industry and Electricity Power Co Ltd	-	2,698,287	-	-	2,698,287
Henan Shuanghui Investment & Development Co Ltd	-	805,200	-	-	805,200
Henan Zhongfu Industry Co Ltd	-	2,101,707	-	-	2,101,707
Hengyi Petrochemical Co Ltd	-	1,033,760	-	-	1,033,760
Hong Yuan Securities Co Ltd	-	1,581,366	-	-	1,581,366
Hualan Biological Engineering INC	-	769,256	-	-	769,256
Huaneng Power International Inc	-	8,767,406	-	-	8,767,406
Huatai Securities Co Ltd	-	4,631,895	-	-	4,631,895
Huaxia Bank Co Ltd	-	9,516,755	-	-	9,516,755
Huayu Automotive Systems	-	2,964,086	-	-	2,964,086
Hubei Yihua Chemical Industry Co Ltd	-	1,923,289	-	-	1,923,289
Huolinhe Opencut Coal Industry Corporation Limited of Innermongolia	-	1,125,302	-	-	1,125,302
Industrial and Commercial Bank of China Ltd Industrial Bank	-	43,379,724	-	-	43,379,724
Industrial Bank	-	21,139,209	-	-	21,139,209
Industrial Securities Co Ltd	-	4,310,579	-	-	4,310,579
Inner Mongolia Baotou Steel	-	4,127,727	-	-	4,127,727
Inner Mongolia Junzheng Energy & Chemical Industry Co Ltd	-	1,115,011	-	-	1,115,011
Inner Mongolia Mengdian Huaneng Thermal Power Corp Ltd	-	2,231,807	-	-	2,231,807
Inner Mongolia Pingzhuang	-	1,133,997	-	-	1,133,997
Inner Mongolia Yili Industrial Group Co Ltd	-	4,514,110	-	-	4,514,110
Inner Mongolian Baotou Steel	-	7,177,881	-	-	7,177,881
Jiangsu Hengrui Medicine Co Ltd	-	1,843,290	-	-	1,843,290
Jiangsu Phoenix Publishing & Media Co Ltd	-	2,202,496	-	-	2,202,496
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	-	795,704	-	-	795,704
Jiansu Zhongnan Construction Group Co. Ltd	-	1,014,768	-	-	1,014,768
Jiangsu Zongyi Co Ltd	-	1,879,857	-	-	1,879,857
Jiangxi Copper Co Ltd	-	2,280,440	-	-	2,280,440
Jiangxi Hongdu Aviation	-	1,153,029	-	-	1,153,029
Jihua Group Corp Ltd	-	3,173,454	-	-	3,173,454
Jilin Aodong Medicine Industry (Groups) Co Ltd	-	1,919,167	-	-	1,919,167
Ji Lin Ji En Nickel Industry Co Ltd	-	1,133,974	-	-	1,133,974
Jilin Yatai (Group) Co Ltd	-	5,290,818	-	-	5,290,818
Jinduicheng Molybdenum Co Ltd	-	2,661,200	-	-	2,661,200

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 11 July 2012 (date of inception) to 31 December 2012

INVESTMENTS (continued)	Holdings As at 11 July 2012 (date of inception)	Additions	Corporate Action	Disposals	Holdings As at 31 December 2012
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed Securities (Continued)					
Jizhong Energy Resources Co Ltd	-	1,903,590	-	-	1,903,590
Joeone Co Ltd	-	407,556	-	-	407,556
Kailuan Energy Chemical Co Ltd	-	1,725,816	-	-	1,725,816
Kangmei Pharmaceutical Co Ltd	-	4,208,166	-	-	4,208,166
Kingfa Sci&Tech Co Ltd	-	5,221,811	-	-	5,221,811
Kweichow Moutai Co Ltd	-	1,139,534	-	-	1,139,534
Liaoning Cheng Da Co Ltd	-	3,788,070	-	-	3,788,070
Liaoning Huajin Tongda Chemicals Co Ltd	-	1,615,871	-	-	1,615,871
Luxin Venture Capital Group	-	615,625	-	-	615,625
Luzhou Lao Jiao Co Ltd	-	1,906,079	-	-	1,906,079
Meihua Monosodium Glutamate	-	2,264,268	-	-	2,264,268
Mesnac Co Ltd	-	1,576,017	-	-	1,576,017
Metallurgical Corporation of China Co Ltd	-	13,580,550	-	-	13,580,550
Minmetals Development Co Ltd	-	1,149,720	-	-	1,149,720
NARI Technology Development Co Ltd	-	2,642,330	-	-	2,642,330
NavInfo Co Ltd	-	912,989	-	-	912,989
Neusoft Corporation	-	2,322,815	-	-	2,322,815
New China Life Insurance Co Ltd	-	395,999	-	-	395,999
New Hope Liuhe Co Ltd	-	1,496,585	-	-	1,496,585
Ningbo Port Co Ltd	-	10,774,565	-	-	10,774,565
North China Pharm Co	-	2,278,972	-	-	2,278,972
Northeast Securities Co Ltd	-	742,885	-	-	742,885
Oceanwide Real Estate Group	-	3,789,386	-	-	3,789,386
Offshore Oil Engineering Co Ltd	-	5,387,187	-	-	5,387,187
Orient Group Incorporation	-	3,764,431	-	-	3,764,431
The Pacific Securities Co.Ltd	-	1,876,174	-	-	1,876,174
Palm Landscape Architecture Co Ltd	-	392,989	-	-	392,989
Pangda Automobile Trade Co Ltd	-	1,494,734	-	-	1,494,734
Pangang Group Steel Vanadium & Titanium Co Ltd	-	12,064,739	-	-	12,064,739
Petrochina Co Ltd	-	9,801,566	-	-	9,801,566
Ping An Bank Co., Ltd.	-	7,170,242	-	-	7,170,242
Ping An Insurance (Group) Company of China Ltd	-	9,419,775	-	-	9,419,775
Pingdingshan Tianan Coal Mining Co Ltd	-	3,373,200	-	-	3,373,200
Poly Real Estate Group Co Ltd	-	12,054,066	-	-	12,054,066
Qingdao Haier Co Ltd	-	4,524,137	-	-	4,524,137

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 11 July 2012 (date of inception) to 31 December 2012

INVESTMENTS (continued)	Holdings As at 11 July 2012 (date of inception)	Additions	Corporate Action	Disposals	Holdings As at 31 December 2012
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed Securities (Continued)					
Qinghai Salt Lake Industry Co Ltd	-	1,856,974	-	-	1,856,974
Risesun Real Estate Development Co Ltd	-	1,527,935	-	-	1,527,935
Rising Nonferrous Metal Share Co Ltd	-	368,609	-	-	368,609
Rongsheng Petro Chemical	-	717,749	-	-	717,749
SAIC Motor Co Ltd	-	6,077,318	-	-	6,077,318
Sanan Optoelectronics Co Ltd	-	1,924,461	-	-	1,924,461
Sany Heavy Industry Co Ltd	-	8,489,965	-	-	8,489,965
SDIC Xinji Energy Co Ltd	-	1,521,914	-	-	1,521,914
Shandong Dong-Ee Jiao Co Ltd	-	1,496,074	-	-	1,496,074
Shandong Gold-Mining Co Ltd	-	1,915,477	-	-	1,915,477
Shandong Iron And Steel Co Ltd	-	5,563,032	-	-	5,563,032
Shandong Nanshan Industrial Co Ltd	-	3,191,468	-	-	3,191,468
Shanghai Chengtuo Holding Co Ltd	-	4,163,651	-	-	4,163,651
Shanghai Construction Co Ltd	-	1,901,700	-	-	1,901,700
Shanghai Datun Energy Resources Co Ltd	-	770,384	-	-	770,384
Shanghai Fosun Pharmaceutical (Group) Co Ltd	-	3,274,131	-	-	3,274,131
Shanghai Friendship Group Incorporated Co	-	2,236,696	-	-	2,236,696
Shanghai International Airport Co Ltd	-	2,658,249	-	-	2,658,249
Shanghai Jahwa United Co Ltd	-	788,741	-	-	788,741
Shanghai Oriental Pearl (Group) Co Ltd	-	4,507,504	-	-	4,507,504
Shanghai Pharmaceuticals Co Ltd	-	2,657,049	-	-	2,657,049
Shanghai Pudong Development Bank Co Ltd	-	31,330,306	-	-	31,330,306
Shanghai Yuyuan Tourist Mart Co Ltd	-	3,296,132	-	-	3,296,132
Shanghai Zhangjiang Hi-tech Park Development Co Ltd	-	2,226,947	-	-	2,226,947
Shanghai Zhenhua Heavy Industry	-	4,989,793	-	-	4,989,793
Shantui Construction Machine	-	2,605,786	-	-	2,605,786
Shanxi Coal International	-	589,407	-	-	589,407
Shanxi Guoyang New Energy Co Ltd	-	3,387,917	-	-	3,387,917
Shanxi Lanhua Science-Tech Venture Co Ltd	-	1,896,170	-	-	1,896,170
Shanxi Lu'an Environmental Energy Development Co Ltd	-	2,624,640	-	-	2,624,640
Shanxi Securities Co Ltd	-	1,939,100	-	-	1,939,100
Shanxi Taigang Stainless Steel Co Ltd	-	6,400,448	-	-	6,400,448
Shanxi Xinghuacun Fen Wine Factory Co Ltd	-	746,633	-	-	746,633
Shanxi Xishan Coal And Electricity Power Co Ltd	-	4,495,487	-	-	4,495,487
Shenergy Co Ltd	-	7,931,522	-	-	7,931,522

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 11 July 2012 (date of inception) to 31 December 2012

INVESTMENTS (continued)	Holdings As at 11 July 2012 (date of inception)	Additions	Corporate Action	Disposals	Holdings As at 31 December 2012
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed Securities (Continued)					
Shenzhen Agricultural Products Co Ltd	-	3,054,490	-	-	3,054,490
Shenzhen Great Wall Kaifa	-	1,875,068	-	-	1,875,068
Shenzhen Hepalink Pharmaceutical Co Ltd	-	395,962	-	-	395,962
Lai Bao Hi-Tech	-	1,143,414	-	-	1,143,414
Shenzhen Overseas Chinese Town Co Ltd	-	10,188,429	-	-	10,188,429
Shenzhen Zhongjin Lingnan Nonfemet Co Ltd	-	4,123,714	-	-	4,123,714
Shijiazhuang Yiling Pharmaceutical Co Ltd	-	358,110	-	-	358,110
Sichuan Changhong Electric Co Ltd	-	10,257,000	-	-	10,257,000
Sichuan Chuantou Energy Co Ltd	-	2,701,586	-	-	2,701,586
Sichuan Hongda Co Ltd	-	2,277,947	-	-	2,277,947
Sichuan Kelun Pharmaceutical Co Ltd	-	730,935	-	-	730,935
Sichuan Swellfun Co Ltd	-	974,094	-	-	974,094
Sinochem Intl Corporation	-	2,030,455	-	-	2,030,455
Sinohydro Group Ltd	-	10,790,736	-	-	10,790,736
Sinolink Securities Co. Ltd.	-	1,127,774	-	-	1,127,774
Sinoma International Engineering Co Ltd	-	1,159,369	-	-	1,159,369
Sinovel Wind Group Co Ltd	-	2,258,727	-	-	2,258,727
Soochow Securities Co Ltd	-	1,622,844	-	-	1,622,844
Southwest Securities Co Ltd	-	3,326,553	-	-	3,326,553
Suning Appliance Co Ltd	-	12,439,114	-	-	12,439,114
Suning Universal Co Ltd	-	2,271,480	-	-	2,271,480
Suzhou Gold Mantis Construction Decoration Co Ltd	-	786,950	-	-	786,950
Taiyuan Coal Gasification Co Ltd	-	744,106	-	-	744,106
Taiyuan Heavy Industry Co Ltd	-	4,817,835	-	-	4,817,835
Tangshan Jidong Cement Co Ltd	-	1,509,227	-	-	1,509,227
TCL Corporation	-	23,700,000	-	-	23,700,000
Tianjin Tasly Pharma-Class A	-	785,738	-	-	785,738
Tianma Bearing Group Co Ltd	-	1,712,302	-	-	1,712,302
Tongkun Group Co Ltd	-	770,519	-	-	770,519
Tongling Nonferrous Metals Group Co. Ltd	-	1,914,977	-	-	1,914,977
Tsinghua Tongfang Co Ltd	-	4,505,321	-	-	4,505,321
Tsingtao Brewery Co Ltd	-	1,087,375	-	-	1,087,375
Wanxiang Qianchao Co Ltd	-	2,256,908	-	-	2,256,908
Wei Chai Power Co Ltd	-	2,614,735	-	-	2,614,735
Weifu High-Technology Group Co Ltd	-	1,124,014	-	-	1,124,014

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 11 July 2012 (date of inception) to 31 December 2012

INVESTMENTS (continued)	Holdings As at 11 July 2012 (date of inception)	Additions	Corporate Action	Disposals	Holdings As at 31 December 2012
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed Securities (Continued)					
Western Mining Co Ltd	-	5,301,240	-	-	5,301,240
Wuhan Iron And Steel Co Ltd	-	11,310,779	-	-	11,310,779
Wuliangye Yibin Co Ltd	-	5,291,316	-	-	5,291,316
XCMG Construction Machinery Co Ltd	-	3,414,155	-	-	3,414,155
Xi'An Aero-Engine PLC	-	1,512,484	-	-	1,512,484
Xi'an Aircraft International Corp	-	3,611,869	-	-	3,611,869
Xi'an Shaangu Power Co Ltd	-	1,447,674	-	-	1,447,674
Xiamen C&D Inc	-	3,771,714	-	-	3,771,714
Xiamen Tungsten Co Ltd	-	756,472	-	-	756,472
Xinhu Zhongbao Co Ltd	-	5,184,643	-	-	5,184,643
Xinjiang Goldwind Science & Technology Co Ltd	-	4,260,626	-	-	4,260,626
Xinjiang Guanghui Industry	-	5,990,972	-	-	5,990,972
Xinjiang Tebian Electric	-	7,296,629	-	-	7,296,629
Xinjiang Zhongtai Chemical	-	2,624,728	-	-	2,624,728
Xinxing Ductile Iron Pipes Co Ltd	-	2,652,251	-	-	2,652,251
Yantai Changyu Pioneer	-	377,994	-	-	377,994
Yantai Jereh Oilfield Services Group Co Ltd	-	414,836	-	-	414,836
Yantai Wanhua Polyurethane Co Ltd	-	3,020,720	-	-	3,020,720
Yanzhou Coal Mining Co Ltd	-	1,550,192	-	-	1,550,192
Yonghui Superstores Co Ltd	-	723,749	-	-	723,749
Yonyou Software Co., Ltd	-	1,451,037	-	-	1,451,037
Youngor Group Co Ltd	-	3,765,442	-	-	3,765,442
Yunnan Aluminium Co Ltd	-	2,628,945	-	-	2,628,945
Yunnan Baiyao Industry Co Ltd	-	1,086,974	-	-	1,086,974
Yunnan Chihong Zinc&Germanium Co Ltd	-	1,872,076	-	-	1,872,076
Yunnan Copper Co Ltd	-	1,913,694	-	-	1,913,694
Yunnan Tin Co Ltd	-	1,169,650	-	-	1,169,650
Yunnan Yuntianhua Co Ltd	-	759,539	-	-	759,539
Zhejiang Beingmate Scientific-Industrial- Trade Share Co Ltd	-	338,430	-	-	338,430
Zhejiang China Commodities City Group Co Ltd	-	3,786,306	-	-	3,786,306
Zhejiang Hisun Pharmaceutical Co Ltd	-	1,482,827	-	-	1,482,827
Zhejiang Ju Hua Co Ltd	-	1,530,358	-	-	1,530,358
Zhejiang Longsheng Group Co Ltd	-	2,908,589	-	-	2,908,589
Zhejiang Medicine Co Ltd	-	755,402	-	-	755,402
Zhejiang NHU Co Ltd	-	1,100,076	-	-	1,100,076

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 11 July 2012 (date of inception) to 31 December 2012

INVESTMENTS (continued)	Holdings As at 11 July 2012 (date of inception)	Additions	Corporate Action	Disposals	Holdings As at 31 December 2012
<u>Financial assets at fair value through profit or loss (continued)</u>					
Listed Securities (Continued)					
Zhengzhou Coal Mining Machinery Group Co Ltd	-	2,288,415	-	-	2,288,415
Zhengzhou Yutong Bus Co Ltd	-	1,451,753	-	-	1,451,753
Zhongjin Gold Co Ltd	-	4,137,652	-	-	4,137,652
Zijin Mining Group Co Ltd	-	22,104,452	-	-	22,104,452
ZTE Corporation	-	5,542,845	-	-	5,542,845

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PERFORMANCE RECORD

For the period from 11 July 2012 (date of inception) to 31 December 2012

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

	RMB
Net asset value attributable to unitholders at period end (note 10)	<u>14,118,488,634</u>
Net asset value per unit at period end (note 10)	<u>24.9664</u>

2. HIGHEST ISSUE AND LOWEST REDEMPTION PRICES PER UNIT

	Highest issue unit price	Lowest redemption unit price
	RMB	RMB
During the period ended 31 December 2012	<u>24.9664</u>	<u>21.1203</u>

3. COMPARISON OF THE SCHEME PERFORMANCE AND THE ACTUAL INDEX PERFORMANCE

The table below illustrates the comparison between the Sub-Fund's performance (Market-to-Market) and that of the Index during the period ended 31 December 2012:

	During the period ended 31 December 2012
CSI 300 Index (since 16 July 2012)	5.13%
RMB Counter of the Sub-Fund (since 17 July 2012)	4.13%
HKD Counter of the Sub-Fund (since 26 October 2012)	11.72%

