

**重要：**香港聯合交易所有限公司、證券及期貨事務監察委員會以及香港交易及結算所有限公司對本公告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本公告全部或任何部分內容而產生或因依賴該等內容而引致之任何損失承擔任何責任。

基金經理對本公告所載的資料之準確性承擔全部責任，並確認，經作出一切合理查詢後，就其所知所信，本通知並無其他事實，以致當中所載任何陳述具有誤導成分。本公告所表達之一切意見乃經過謹慎周詳考慮後達致。

證券及期貨事務監察委員會對本產品的認可，並不同於對本產品的推介或認許，亦不是對本產品的商業價值或表現作出保證，更不代表本產品適合所有投資者，或認許本產品適合任何個別投資者或任何類別的投資者。

如閣下對本公告的內容有任何疑問，應諮詢閣下的股票經紀、銀行經理、律師、會計師或其他專業顧問。



中國平安CSI 香港高息股ETF (股份代號:3070)

其為中國平安基金的子基金

(根據《證券及期貨條例》

(香港特別行政區法例第 571 章)

第104 條獲認可之香港單位信託基金)

## 澄清有關子基金月度報告及財務報告之基金表現資料

### 1. 簡介

中國平安資產管理(香港)有限公司，即中國平安 CSI 香港高息股 ETF (簡稱“子基金”)的基金經理 (簡稱“基金經理”)，就子基金分別載於(i) 2012 年 9 月至 2017 年 1 月的基金月度報告 (合稱“基金月報”)；(ii) 子基金的 (a) 2013 年 6 月 30 日，(b) 2014 年 6 月 30 日，(c) 2015 年 6 月 30 日和 (d) 2016 年 6 月 30 日的中期財務報告；以及 (a) 2012 年 12 月 31 日，(b) 2013 年 12 月 31 日，(c) 2014 年 12 月 31 日和 (d) 2015 年 12 月 31 日的年度財務報告 (統稱為“財務報告”)，並上載於基金經理之網站 (<http://asset.pingan.com.hk>) (該網站並未經證監會審閱)，以及 HKEX 披露易 (<http://www.hkexnews.hk>)，有關當中刊載之基金表現資料。

### 2. 澄清

基金經理茲通知，於 2012 年 10 月至 2017 年 3 月期間，所刊載之基金月報，當中子基金的基金累計表現、年度表現、年度化表現數據及相關指數數據有誤。上述有關子基金不正確的表現數據和相關指數數據也顯示在財務報告中。

本次事件的主要原因，為第三方資訊供應商提供的表現計算系統的技術問題以及基金經理未能及時察覺所致，基金經理於 2017 年 3 月初發現問題。下表列出子基金在相關月報中所修訂的基金表現資料及相關指數資料。

請注意：有關之不正確資料並未影響子基金的交易價格、資產淨值的計算或證券交易所的成交價格。此外，此等資料並未刊登於子基金之其他市場推廣資料或銷售文件。

### 3. 已採取之整治措施

發現基金表現出現資料錯誤後，基金經理已刪除所有包含不正確基金表現資料的基金月報和財務報告，並分別於 2017 年 3 月 24 日和 2017 年 4 月 28 日於其網站 (<http://asset.pingan.com.hk>) (該網站並未經證監會審閱) 發佈包含正確基金表現資料的 2017 年 2 月基金月報及 2016 年年度財務報告。就是次更正基金表現資料之事件，基金經理委任畢馬威會計師事務所，進行獨立審核等程序。本公告所載子基金的所有基金表現資料、2017 年 2 月基金月報以及 2016 年年度財務報告均由畢馬威會計師事務所核實無誤。

同時，經理已改善基金月報資料編制的系統和流程。畢馬威會計師事務所已對子基金月報的監控流程、制度、準備流程等的運作進行有效測試。此後，基金經理會確保遵守所有適用的監管要求，以防類似事件再次發生。推廣資料需由相關負責方進行審查和驗證，以確保發佈前，有關資料的準確性。

如閣下對本公告有任何查詢，可致電(+852) 3762 9228 或瀏覽我們的網站 <http://asset.pingan.com.hk>。

中國平安資產管理(香港)有限公司  
2017 年 7 月 25 日

附錄

下表列出 2016 年 12 月及 2017 年 1 月的子基金月報的正確基金表現資料:


| Performance 表現 (%)   |   |                      | Fund (HKD) 基金(港元)           |                                       |   | Index (HKD) 相關指數 (港元)       |                                       |   |
|----------------------|---|----------------------|-----------------------------|---------------------------------------|---|-----------------------------|---------------------------------------|---|
| Month 月份             | Cumulative/Calendar Year/Annualized 累計表現/年度表現/年度化表現 | Year/Month 年/月       | Incorrect Information 不正確資料 | Actual Performance Information 實際表現資料 | Overstatement (+) / Understatement (-) (indicate %) 高估 (+) / 低估 (-) (%) | Incorrect Information 不正確資料 | Actual Performance Information 實際表現資料 | Overstatement (+) / Understatement (-) (indicate %) 高估 (+) / 低估 (-) (%) |
| Dec 2016<br>2016年12月 | Cumulative 累計表現                                     | YTD 年初至今             | -2.25%                      | -1.22%                                | -1.03%  | -2.31%                      | -1.30%                                | -1.01%  |
|                      |   | 1 month 1個月          | -7.22%                      | -6.24%                                | -0.98%  | -5.06%                      | -4.09%                                | -0.97%  |
|                      |   | 3 months 3個月         | -8.63%                      | -7.66%                                | -0.97%  | -6.59%                      | -5.63%                                | -0.96%  |
|                      |   | 6 months 6個月         | -0.37%                      | 0.68%                                 | -1.05%  | 1.34%                       | 2.38%                                 | -1.04%  |
|                      |   | Since inception 成立至今 | 10.05%                      | 11.21%                                | -1.16%  | 10.48%                      | 11.61%                                | -1.13%  |
|                      |   | Annualized 年度化表現     | Since inception 成立至今        | 1.98%                                 | 2.20%   | -0.22%                      | 2.06%                                 | 2.27%   |
|                      | Jan 2017<br>2017年1月                                 | Cumulative 累計表現      | YTD 年初至今                    | 5.40%                                 | 4.23%   | 1.17%                       | 5.48%                                 | 4.34%   |
| 1 month 1個月          |   |                      | 5.40%                       | 4.23%                                 | 1.17%   | 5.48%                       | 4.34%                                 | 1.14%   |
| 3 months 3個月         |   |                      | -1.39%                      | -1.46%                                | 0.07%   | 0.86%                       | 0.80%                                 | 0.06%   |
| 6 months 6個月         |   |                      | 0.18%                       | 0.11%                                 | 0.07%   | 1.83%                       | 1.78%                                 | 0.05%   |
| Since inception 成立至今 |   |                      | 16.00%                      | 15.92%                                | 0.08%   | 16.53%                      | 16.46%                                | 0.07%   |
| Calendar Year 年度表現   |   |                      | 2016                        | -2.25%                                | -1.22%  | -1.03%                      | -2.31%                                | -1.30%  |
| Annualized 年度化表現     |   | Since inception 成立至今 | 3.03%                       | 3.02%                                 | 0.01%   | 3.13%                       | 3.12%                                 | 0.01%   |

下表列出 2012 年 9 月至 2017 年 1 月的子基金月報中正確的子基金表現資料

| Performance 表現 (%) |   |                      | Fund (HKD) 基金(港元)           |                                       |   | Index (HKD) 相關指數 (港元)       |                                       |   |
|--------------------|---|----------------------|-----------------------------|---------------------------------------|---|-----------------------------|---------------------------------------|---|
| Month 月份           | Cumulative/ Calendar Year/ Annualized 累計表現/ 年度表現/ 年度化表現 | Year/ Month 年/月      | Incorrect Information 不正確資料 | Actual Performance Information 實際表現資料 | Overstatement (+) / Understatement (-) (indicate %) 高估 (+) / 低估 (-) (%) | Incorrect Information 不正確資料 | Actual Performance Information 實際表現資料 | Overstatement (+) / Understatement (-) (indicate %) 高估 (+) / 低估 (-) (%) |
| Sep 2012           | Annualized 年度化表現  | Since inception 成立至今 | 11.37%                      | 11.47%                                | -0.10%  | 9.14%                       | 9.22%                                 | -0.08%  |
| Oct 2012           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | 14.54%                      | 14.53%                                | 0.01%   |
| Nov 2012           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | 19.50%                      | 19.49%                                | 0.01%   |
| Dec 2012           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
|                    |   | 1 month 1個月          |                             |                                       |   | 0.01%                       | -0.03%                                | 0.04%   |
|                    |   | 3 months 3個月         |                             |                                       |   | 5.73%                       | 5.68%                                 | 0.05%   |
|                    |   | 6 months 6個月         |                             |                                       |   | 11.75%                      | 11.70%                                | 0.05%   |
|                    |   | Since inception 成立至今 |                             |                                       |   | 11.80%                      | 11.75%                                | 0.05%   |
|                    | Annualized 年度化表現  | Since inception 成立至今 |                             |                                       |   | 13.35%                      | 13.29%                                | 0.06%   |
| Jan 2013           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | 5.41%                       | 5.46%                                 | -0.05%  |
|                    |   | 1 month 1個月          |                             |                                       |   | 5.41%                       | 5.46%                                 | -0.05%  |
|                    | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
| Feb 2013           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | 5.17%                       | 5.22%                                 | -0.05%  |
|                    |   | Calendar Year 年度表現   | 2012                        |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
| Mar 2013           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | 4.70%                       | 4.74%                                 | -0.04%  |
|                    |   | 3 months 3個月         |                             |                                       |   | 4.70%                       | 4.74%                                 | -0.04%  |
|                    | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
|                    | Annualized 年度化表現  | Since inception 成立至今 | 15.18%                      | 15.29%                                | -0.11%  | 14.85%                      | 14.97%                                | -0.12%  |
| Apr 2013           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | 7.78%                       | 7.83%                                 | -0.05%  |
|                    |   | Calendar Year 年度表現   | 2012                        |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
| May 2013           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | 5.20%                       | 5.25%                                 | -0.05%  |
|                    |   | Calendar Year 年度表現   | 2012                        |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
| Jun 2013           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | -0.98%                      | -0.93%                                | -0.05%  |
|                    |   | 6 months 6個月         |                             |                                       |   | -0.98%                      | -0.93%                                | -0.05%  |
|                    | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
|                    | Annualized 年度化表現  | Since inception 成立至今 | 8.20%                       | 8.23%                                 | -0.03%  | 7.61%                       | 7.65%                                 | -0.04%  |
| Jul 2013           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | 1.19%                       | 1.23%                                 | -0.04%  |
|                    |   | Calendar Year 年度表現   | 2012                        |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
| Aug 2013           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | -0.60%                      | -0.56%                                | -0.04%  |
|                    |   | Calendar Year 年度表現   | 2012                        |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
|                    | Annualized 年度化表現  | Since inception 成立至今 | 7.74%                       | 7.76%                                 | -0.02%  | 7.01%                       | 7.03%                                 | -0.02%  |
| Sep 2013           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | 0.61%                       | 0.65%                                 | -0.04%  |
|                    |   | Calendar Year 年度表現   | 2012                        |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
| Oct 2013           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | 1.44%                       | 1.49%                                 | -0.05%  |
|                    |   | Calendar Year 年度表現   | 2012                        |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
| Nov 2013           | Cumulative 累計表現   | YTD 年初至今             |                             |                                       |   | 2.02%                       | 2.06%                                 | -0.04%  |
|                    |   | Calendar Year 年度表現   | 2012                        |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
|                    | Annualized 年度化表現  | Since inception 成立至今 | 8.64%                       | 8.65%                                 | -0.01%  | 7.56%                       | 7.57%                                 | -0.01%  |

| Performance 表現 (%) |   |                      | Fund (HKD) 基金(港元)           |                                       |   | Index (HKD) 相關指數 (港元)       |                                       |   |       |
|--------------------|---|----------------------|-----------------------------|---------------------------------------|---|-----------------------------|---------------------------------------|---|-------|
| Month 月份           | Cumulative/Calendar Year/Annualized 累計表現/年度表現/年度化表現 | Year/Month 年/月       | Incorrect Information 不正確資料 | Actual Performance Information 實際表現資料 | Overstatement (+) / Understatement (-) (indicate %) 高估 (+) / 低估 (-) (%) | Incorrect Information 不正確資料 | Actual Performance Information 實際表現資料 | Overstatement (+) / Understatement (-) (indicate %) 高估 (+) / 低估 (-) (%) |       |
| Dec 2013           | Cumulative 累計表現                                     | YTD 年初至今             |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |       |
|                    |   | 1 month 1個月          |                             |                                       |   | -1.98%                      | -2.03%                                | 0.05%   |       |
|                    |   | 3 months 3個月         |                             |                                       |   | -0.60%                      | -0.65%                                | 0.05%   |       |
|                    |   | 6 months 6個月         |                             |                                       |   | 0.99%                       | 0.94%                                 | 0.05%   |       |
|                    |   | Since inception 成立至今 |                             |                                       |   | 11.81%                      | 11.75%                                | 0.06%   |       |
|                    |   | Calendar Year 年度表現   | 2012                        |                                       |   |                             | 19.51%                                | 19.45%  | 0.06% |
|                    | Annualized 年度化表現                                    | Since inception 成立至今 |                             |                                       |   | 6.08%                       | 6.05%                                 | 0.03%   |       |
| Jan 2014           | Cumulative 累計表現                                     | YTD 年初至今             |                             |                                       |   | -4.91%                      | -4.96%                                | 0.05%   |       |
|                    |   | 1 month 1個月          |                             |                                       |   | -4.91%                      | -4.96%                                | 0.05%   |       |
|                    |   | 3 months 3個月         |                             |                                       |   | -6.26%                      | -6.36%                                | 0.10%   |       |
|                    |   | 6 months 6個月         |                             |                                       |   | -6.02%                      | -6.13%                                | 0.11%   |       |
|                    |   | Since inception 成立至今 |                             |                                       |   | 6.31%                       | 6.20%                                 | 0.11%   |       |
|                    |   | Calendar Year 年度表現   | 2012                        |                                       |   |                             | 19.51%                                | 19.45%  | 0.06% |
|                    | Annualized 年度化表現                                    | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |       |
| Feb 2014           | Cumulative 累計表現                                     | Since inception 成立至今 |                             |                                       |   | 3.15%                       | 3.10%                                 | 0.05%   |       |
|                    |   | YTD 年初至今             |                             |                                       |   | -3.13%                      | -3.07%                                | -0.06%  |       |
|                    |   | 1 month 1個月          |                             |                                       |   | 1.88%                       | 1.99%                                 | -0.11%  |       |
|                    |   | 6 months 6個月         |                             |                                       |   | -2.53%                      | -2.54%                                | 0.01%   |       |
|                    |   | Calendar Year 年度表現   | 2012                        |                                       |   |                             | 19.51%                                | 19.45%  | 0.06% |
|                    |   | Calendar Year 年度表現   | 2013                        |                                       |   |                             | 0.00%                                 | -0.01%  | 0.01% |
|                    | Annualized 年度化表現                                    | Since inception 成立至今 |                             |                                       |   | 3.15%                       | 3.10%                                 | 0.05%   |       |
| Mar 2014           | Cumulative 累計表現                                     | YTD 年初至今             |                             |                                       |   | -2.07%                      | -2.02%                                | -0.05%  |       |
|                    |   | 3 month 3個月          |                             |                                       |   | -2.07%                      | -2.02%                                | -0.05%  |       |
|                    | Calendar Year 年度表現                                  | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |       |
| Apr 2014           | Cumulative 累計表現                                     | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |       |
|                    |   | YTD 年初至今             |                             |                                       |   | -1.67%                      | -1.62%                                | -0.05%  |       |
|                    | Calendar Year 年度表現                                  | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |       |
| May 2014           | Cumulative 累計表現                                     | 3 months 3個月         |                             |                                       |   | 3.41%                       | 3.52%                                 | -0.11%  |       |
|                    |   | 6 months 6個月         |                             |                                       |   | 1.88%                       | 1.94%                                 | -0.06%  |       |
|                    | Calendar Year 年度表現                                  | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |       |
|                    | Calendar Year 年度表現                                  | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |       |
| Jun 2014           | Cumulative 累計表現                                     | YTD 年初至今             |                             |                                       |   | 1.49%                       | 1.55%                                 | -0.06%  |       |
|                    |   | Since inception 成立至今 |                             |                                       |   | 5.64%                       | 5.65%                                 | -0.01%  |       |
|                    | Calendar Year 年度表現                                  | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |       |
| Jul 2014           | Calendar Year 年度表現                                  | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |       |
|                    |   | YTD 年初至今             |                             |                                       |   | 5.87%                       | 5.93%                                 | -0.06%  |       |
|                    | Calendar Year 年度表現                                  | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |       |
|                    | Calendar Year 年度表現                                  | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |       |
| Aug 2014           | Calendar Year 年度表現                                  | 6 months 6個月         |                             |                                       |   | 11.34%                      | 11.46%                                | -0.12%  |       |
|                    |   | YTD 年初至今             |                             |                                       |   | 6.79%                       | 6.85%                                 | -0.06%  |       |
|                    | Annualized 年度化表現                                    | Since inception 成立至今 | 7.68%                       | 7.70%                                 | -0.02%  | 7.18%                       | 7.20%                                 | -0.02%  |       |

| Performance 表現 (%)  |   |                      | Fund (HKD) 基金(港元)           |                                       |   | Index (HKD) 相關指數 (港元)       |                                       |   |
|---------------------|---|----------------------|-----------------------------|---------------------------------------|---|-----------------------------|---------------------------------------|---|
| Month 月份            | Cumulative/ Calendar Year/ Annualized 累計表現/ 年度表現/ 年度化表現 | Year/ Month 年/ 月     | Incorrect Information 不正確資料 | Actual Performance Information 實際表現資料 | Overstatement (+) / Understatement (-) (indicate %) 高估 (+) / 低估 (-) (%) | Incorrect Information 不正確資料 | Actual Performance Information 實際表現資料 | Overstatement (+) / Understatement (-) (indicate %) 高估 (+) / 低估 (-) (%) |
| Sep 2014            | Calendar Year 年度表現                                      | YTD 年初至今             |                             |                                       |   | 1.89%                       | 1.95%                                 | -0.06%  |
|                     | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
| Oct 2014            | Calendar Year 年度表現                                      | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |
|                     | Calendar Year 年度表現                                      | YTD 年初至今             |                             |                                       |   | 5.95%                       | 6.01%                                 | -0.06%  |
| Nov 2014            | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
|                     | Calendar Year 年度表現                                      | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |
| Dec 2014            | Annualized 年度化表現  | Since inception 成立至今 | 8.15%                       | 8.17%                                 | -0.02%  | 7.45%                       | 7.47%                                 | -0.02%  |
|                     | Calendar Year 年度表現                                      | YTD 年初至今             |                             |                                       |   | 9.36%                       | 9.42%                                 | -0.06%  |
|                     | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
| Jan 2015            | Calendar Year 年度表現                                      | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |
|                     | Calendar Year 年度表現                                      | 2014                 |                             |                                       |   | 9.36%                       | 9.42%                                 | -0.06%  |
|                     | Annualized 年度化表現  | Since inception 成立至今 | 7.90%                       | 7.91%                                 | -0.01%  | 8.07%                       | 8.08%                                 | -0.01%  |
| Feb 2015 - Apr 2015 | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
|                     | Calendar Year 年度表現                                      | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |
|                     | Calendar Year 年度表現                                      | 2014                 |                             |                                       |   | 9.36%                       | 9.42%                                 | -0.06%  |
| May 2015            | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
|                     | Calendar Year 年度表現                                      | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |
|                     | Calendar Year 年度表現                                      | 2014                 |                             |                                       |   | 9.36%                       | 9.42%                                 | -0.06%  |
| Jun 2015 - Dec 2015 | Annualized 年度化表現  | Since inception 成立至今 | 8.61%                       | 8.63%                                 | -0.02%  | 8.50%                       | 8.51%                                 | -0.01%  |
|                     | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
| Jan 2016            | Calendar Year 年度表現                                      | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |
|                     | Calendar Year 年度表現                                      | 2014                 |                             |                                       |   | 9.36%                       | 9.42%                                 | -0.06%  |
|                     | Cumulative 累計表現   | 6 months 6個月         |                             |                                       |   | -15.19%                     | -15.20%                               | 0.01%   |
| Feb 2016 - Jun 2016 | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
|                     | Calendar Year 年度表現                                      | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |
|                     | Calendar Year 年度表現                                      | 2014                 |                             |                                       |   | 9.36%                       | 9.42%                                 | -0.06%  |
| Jul 2016            | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
|                     | Calendar Year 年度表現                                      | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |
|                     | Calendar Year 年度表現                                      | 2014                 |                             |                                       |   | 9.36%                       | 9.42%                                 | -0.06%  |
| Aug 2016 - Sep 2016 | Annualized 年度化表現  | Since inception 成立至今 | 3.33%                       | 3.34%                                 | -0.01%  |                             |                                       |   |
|                     | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
| Oct 2016            | Calendar Year 年度表現                                      | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |
|                     | Calendar Year 年度表現                                      | 2014                 |                             |                                       |   | 9.36%                       | 9.42%                                 | -0.06%  |
|                     | Cumulative 累計表現   | Since inception 成立至今 |                             |                                       |   | 15.54%                      | 15.53%                                | 0.01%   |
| Nov 2016            | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
|                     | Calendar Year 年度表現                                      | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |
|                     | Calendar Year 年度表現                                      | 2014                 |                             |                                       |   | 9.36%                       | 9.42%                                 | -0.06%  |
| Dec 2016            | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
|                     | Calendar Year 年度表現                                      | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |
|                     | Calendar Year 年度表現                                      | 2014                 |                             |                                       |   | 9.36%                       | 9.42%                                 | -0.06%  |
| Jan 2017            | Calendar Year 年度表現                                      | 2012                 |                             |                                       |   | 19.51%                      | 19.45%                                | 0.06%   |
|                     | Calendar Year 年度表現                                      | 2013                 |                             |                                       |   | 0.00%                       | -0.01%                                | 0.01%   |
|                     | Calendar Year 年度表現                                      | 2014                 |                             |                                       |   | 9.36%                       | 9.42%                                 | -0.06%  |

**Legend**  
 "correct data"

圖解 “正確數據”

下表列出子基金財務報告中正確的子基金表現資料

| Calendar Year Performance 年度表現 (%)          |   |                                    | Index (HKD) 相關指數 (港元)             |  |   |
|---|---|------------------------------------|-----------------------------------|--|---|
| Interim/Annual Report<br>中期/年度財務報告          | Cumulative/<br>Calendar Year<br>累計表現/<br>年度表現 | Year/<br>Month<br>年/月              | Incorrect<br>Information<br>不正確資料 | Actual<br>Performance<br>Information<br>實際表現資料 | Overstatement (+) /<br>Understatement (-)<br>(indicate %)<br>高估 (+) / 低估 (-)<br>(%) |
| 2012 Annual Report                          | Cumulative<br>累計表現                            | 1 month<br>1個月                     | 0.01%                             | -0.03%   | 0.04%   |
|   |   | 3 months<br>3個月                    | 5.73%                             | 5.68%  | 0.05%   |
|   |   | Since<br>inception<br>成立至今         | 11.80%                            | 11.75%   | 0.05%   |
| 2013 Interim Report                         | Cumulative<br>累計表現                            | 6 months<br>6個月                    | -0.98%                            | -0.93%   | -0.05%  |
|   |   | 2012<br>Since<br>inception<br>成立至今 | 11.80%                            | 11.75%   | 0.05%   |
| 2013 Annual Report                          | Cumulative<br>累計表現                            | 1 month<br>1個月                     | -1.98%                            | -2.03%   | 0.05%   |
|   |   | 3 months<br>3個月                    | -0.60%                            | -0.65%   | 0.05%   |
|   |   | Since<br>inception<br>成立至今         | 11.81%                            | 11.75%   | 0.06%   |
|   | Calendar Year<br>年度表現                         | 2012                               | 19.51%                            | 19.45%   | 0.06%   |
|   |   | 2013                               | 0.00%                             | -0.01%   | 0.01%   |
| 2014 Interim Report                         | Cumulative<br>累計表現                            | 6 months<br>6個月                    | 1.88%                             | 1.94%  | -0.06%  |
|   | Calendar Year<br>年度表現                         | 2012                               | 19.51%                            | 19.45%   | 0.06%   |
|   |   | 2013                               | 0.00%                             | -0.01%   | 0.01%   |
| 2014 Annual Report &<br>2015 Interim Report | Calendar Year<br>年度表現                         | 2013                               | 0.00%                             | -0.01%   | 0.01%   |
|   |   | 2014                               | 9.36%                             | 9.42%  | -0.06%  |
| 2015 Annual Report &<br>2016 Interim Report | Calendar Year<br>年度表現                         | 2014                               | 9.36%                             | 9.42%  | -0.06%  |

## **Ping An of China CSI HK Dividend ETF (Stock Code: 3070)**

(A Sub-Fund of Ping An of China Trust as an umbrella unit trust  
under Hong Kong Law)

Annual Report

For the year ended 31 December 2016

Manager



**中国平安资产管理(香港)**  
PING AN OF CHINA ASSET MANAGEMENT (HONG KONG)



**ANNUAL REPORT**

**Ping An of China CSI HK Dividend ETF**

**(A Sub-Fund of Ping An of China Trust as an umbrella unit trust under  
Hong Kong Law)**

**31 December 2016**



**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**

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**IMPORTANT :**

This report is available in English only.

Any opinion expressed herein reflects the Manager's view only and are 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://asset.pingan.com.hk>

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

**RESTRICTED**

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**

**MANAGEMENT AND ADMINISTRATION**

**Manager**

Ping An of China Asset Management (Hong Kong) Company Limited  
Suite 2301  
23rd Floor  
Two International Finance Centre  
8 Finance street, Central  
Hong Kong

**Directors of the Manager**

|   |   |
|---|---|
| Tung Hoi  | Yu Wenjie (Resigned on 14 March 2017)           |
| Chan Tak Yin  | Huang Yong (Resigned on 14 March 2017)          |
| Chang Jack P (Resigned on 14 March 2017)  | Gao Peng (Resigned on 14 March 2017)            |
| Mak Kim Ho Nixon (Resigned on 17 June 2016)   | Tan Sin Yin (Resigned on 14 March 2017)         |
| Chow Woon San Shirley (Appointed on 17 June 2016<br>and resigned on 6 January 2017) | Lau Chun Fai (Appointed on 14 March 2017)       |
| Yao Jason Bo (Resigned on 14 March 2017)  | Choy Siu Kam David (Appointed on 14 March 2017) |
| Yao Jun (Resigned on 14 March 2017)   | Zhuang Yan (Appointed on 14 March 2017)         |
| Wan Fang (Resigned on 14 March 2017)  | Li Wen (Appointed on 14 March 2017)             |
| Cai Fangfang (Resigned on 14 March 2017)  |   |

**Trustee, Custodian and Registrar**

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

**Service/Conversion Agent**

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

**Legal Adviser to the Manager**

Baker & McKenzie  
14th Floor, Hutchison House  
10 Harcourt Road  
Central  
Hong Kong

**Auditor**

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

**PING AN OF CHINA CSI HK DIVIDEND ETF**

**(A SUB-FUND OF PING AN OF CHINA TRUST)**

**MANAGEMENT AND ADMINISTRATION (continued)**

**Participating Dealers**

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

Barclays Bank PLC  
41st Floor, Cheung Kong Center  
2 Queen's Road Central  
Hong Kong  
*\*(Participating Dealer agreement was terminated  
on Mar 2016)*

Chief Securities Limited  
14/F, Manyee Building  
68 Des Voeux Road Central  
Central, Hong Kong

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

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

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

J.P. Morgan Broking (Hong Kong) Limited  
22nd Floor, Chater House  
8 Connaught Road Central  
Hong Kong

Merrill Lynch Far East Limited  
15th Floor, Citibank Tower  
3 Garden Road, Central  
Hong Kong

Phillip Securities (Hong Kong) Limited  
11th Floor, United Centre  
95 Queensway  
Hong Kong

UBS Securities Hong Kong Limited  
52nd Floor, Two International Finance Centre  
8 Finance Street, Central  
Hong Kong

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**  
**REPORT OF THE MANAGER TO THE UNITHOLDERS**

**Ping An of China CSI HK Dividend ETF**  
(a Sub-Fund of Ping An of China Trust)  
(Stock Code: 3070)

**Introduction**

Ping An of China CSI HK Dividend ETF (the “HK Dividend ETF”), is a sub-fund of the Ping An of China Trust (the “Trust”) and commenced trading under the stock code 3070 on the SEHK on 15 February 2012. The HK Dividend ETF is a Hong Kong unit trust authorized pursuant to section 104 of the Securities and Futures Ordinance (Cap. 571 of the laws of the Hong Kong SAR). It is an index-tracking fund, which seeks to track the performance of the CSI Hong Kong Dividend Index (the “HK Dividend Index”).

In order to achieve the investment objective, the HK Dividend ETF intends to primarily adopt a replication strategy to track the performance of its underlying index. The HK Dividend ETF will directly invest in substantially all of the constituent Securities of the underlying index (“Index Shares”) in substantially the same weightings (i.e. proportions) as these Index Shares have in the underlying index.

**Performance of the HK Dividend ETF**

The HK Dividend ETF aims to generate an investment return before fees that closely correspond to the performance of its underlying index denominated in Hong Kong dollar (“HK\$”) by primarily adopting a replication strategy. As at 31 December 2016, the NAV per unit of the HK Dividend ETF was HK\$21.2947 and the total outstanding units were 4,000,000. The total size of the HK Dividend ETF was approximately HK\$85.179 million.

A summary of the performance of the HK Dividend ETF is given below:

| Performance<br>(As at 31 December 2016) | 1-Month | 3-Month | 6-Month | 2016   | 2015   | Since<br>Inception## |
|---|---------|---------|---------|--------|--------|----------------------|
| CSI HK Dividend Index#                  | -4.09%  | -5.63%  | 2.38%   | -1.30% | -7.51% | 11.61%               |
| NAV of the HK Dividend ETF              | -6.24%  | -7.66%  | 0.68%   | -1.22% | -7.65% | 11.21%               |

**Notes:**

Fund performance is calculated without dividend reinvested.

#Index performance is price return.

##Inception date is 10 Feb 2012, with an initial issue price of HK\$19.1482 per unit.

## PING AN OF CHINA CSI HK DIVIDEND ETF

(A SUB-FUND OF PING AN OF CHINA TRUST)

### REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

#### Ping An of China CSI HK Dividend ETF

(a Sub-Fund of Ping An of China Trust)

(Stock Code: 3070)

#### Dividend Distribution History of the HK Dividend ETF

| Ex-date     | Dividend per unit |
|-------------|-------------------|
| 29 Jun 2012 | HKD 0.27          |
| 14 Dec 2012 | HKD 0.28          |
| 28 Jun 2013 | HKD 0.32          |
| 13 Dec 2013 | HKD 0.34          |
| 27 Jun 2014 | HKD 0.34          |
| 12 Dec 2014 | HKD 0.48          |
| 26 Jun 2015 | HKD 0.19          |
| 11 Dec 2015 | HKD 0.52          |
| 24 Jun 2016 | HKD 0.21          |
| 9 Dec 2016  | HKD 0.52          |

#### Activities of the Underlying Index

Review of the HK Dividend Index was conducted on the 2nd Friday of December each year. As at 31 December 2016, the HK Dividend ETF comprised of all 30 constituent stocks in the index.

#### Notes:

1. Past performance figures shown are not indicative of the future performance of the HK Dividend ETF.
2. An investor cannot invest directly in the underlying index and the index returns do not reflect management fees, transaction costs or other expenses, which will reduce performance returns.
3. Units in the HK Dividend ETF are issued and redeemed at NAV and its returns are calculated from NAV. The HK Dividend ETF does not publish a bid price.

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**  
**REPORT OF THE TRUSTEE TO THE UNITHOLDERS**

We hereby confirm that, in our opinion, the Manager of the Ping An of China CSI HK Dividend ETF (a Sub-Fund of Ping An of China Trust) has, in all material respects, managed the Sub-Fund in accordance with the provisions of the trust deed dated 19 April 2010, as amended by supplemental deed dated 28 April 2010, 4 October 2011 and 1 February 2012 (together the "Trust Deed"), for the year ended 31 December 2016.

HSBC Institutional Trust Services (Asia) Limited  
26 April 2017

## **PING AN OF CHINA CSI HK DIVIDEND ETF**

### **(A SUB-FUND OF PING AN OF CHINA TRUST)**

#### **STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE**

##### **Manager's Responsibilities**

The Manager of the Ping An of China CSI HK Dividend ETF (a Sub-Fund of Ping An of China Trust) is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code") and the Trust Deed dated 19 April 2010, as amended by supplemental deed dated 28 April 2010, 4 October 2011 and 1 February 2012 (together 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 of the Sub-Fund 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 of the Sub-Fund 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.

Ping An of China Trust (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 December 2016, Ping An of China CSI HK Dividend ETF, the Sub-Fund of the Trust, is trading in the SEHK.

##### **Trustee's Responsibilities**

The Trustee of the Sub-Fund is required to:

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

## Independent Auditor's Report

### To the unitholders of Ping An of China CSI HK Dividend ETF (a Sub-Fund of Ping An of China Trust)

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

##### Opinion

We have audited the financial statements of Ping An of China CSI HK Dividend ETF (the "Sub-Fund") set out on pages 10 to 38, which comprise the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders, the statement of distribution and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

##### Basis for opinion

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

##### Key audit matters

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

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

| Key audit matter   | How our audit addressed the key audit matter  |
|--|---|
| <b>Existence and valuation of financial assets at fair value through profit or loss</b>  |   |
| The financial assets at fair value through profit or loss included shares listed on the Hong Kong Stock Exchange, comprising 30 constituent listed shares of CSI Hong Kong Dividend Index in Ping An of China CSI HK Dividend ETF. The listed shares were measured at fair value. They represented approximately 99% of the net asset value of the Sub-Fund. | We obtained independent confirmation from the custodian of the entire investment portfolio held at 31 December 2016, and agreed the quantity held to the accounting records. In addition, we independently checked the valuation of all the financial assets at fair value through profit or loss against third party vendor sources. |
| Please refer to note 10 for the financial instruments at fair value through profit or loss disclosure and note 14d for the financial instruments fair value hierarchy disclosure.  |   |



## **Independent Auditor's Report (continued)**

### **To the unitholders of Ping An of China CSI HK Dividend ETF (a Sub-Fund of Ping An of China Trust)**

#### **Other information included in the Annual Report**

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

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

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

#### **Responsibilities of the Trustee and the Manager of the Sub-Fund for the financial statements**

The Trustee and Manager of the Sub-Fund are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and are responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed of the Sub-Fund dated 19 April 2010, as amended by supplemental deeds dated 28 April 2010, 4 October 2011 and 1 February 2012 (together 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"), and for such internal control as the Trustee and the Manager of the Sub-Fund determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **Independent Auditor's Report (continued)**

### **To the unitholders of Ping An of China CSI HK Dividend ETF (a Sub-Fund of Ping An of China Trust)**

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee and the Manager of the Sub-Fund.
- Conclude on the appropriateness of the Trustee and the Manager of the Sub-Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

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

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

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**  
**STATEMENT OF FINANCIAL POSITION**

**31 December 2016**

|   | Notes | 2016<br>HK\$      | 2015<br>HK\$      |
|---|-------|-------------------|-------------------|
| <b>ASSETS</b>   |       |                   |                   |
| Financial assets at fair value through profit or loss | 10    | 85,220,552        | 96,749,307        |
| Dividend receivable                                   |       | 104,723           | 63,755            |
| Cash and cash equivalents                             | 11    | 207,301           | 722,377           |
| <b>TOTAL ASSETS</b>                                   |       | <u>85,532,576</u> | <u>97,535,439</u> |
| <b>LIABILITIES</b>                                    |       |                   |                   |
| Management fee payable                                | 5     | 40,462            | 44,859            |
| Trustee fee payable                                   | 5     | 37,000            | 70,000            |
| Accounts payable and accrued liabilities              | 5     | 276,242           | 408,216           |
| <b>TOTAL LIABILITIES</b>                              |       | <u>353,704</u>    | <u>523,075</u>    |
| <b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>         | 12    | <u>85,178,872</u> | <u>97,012,364</u> |
| <b>NUMBER OF UNITS IN ISSUE</b>                       | 12    | <u>4,000,000</u>  | <u>4,500,000</u>  |
| <b>NET ASSET VALUE PER UNIT</b>                       |       | <u>21.29</u>      | <u>21.56</u>      |

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

**PING AN OF CHINA CSI HK DIVIDEND ETF**

**(A SUB-FUND OF PING AN OF CHINA TRUST)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**For the year ended 31 December 2016**

|  | Notes | 2016<br>HK\$            | 2015<br>HK\$               |
|--|-------|-------------------------|----------------------------|
| <b>INCOME</b>  |       |                         |                            |
| Dividend income  |       | 4,797,826               | 6,206,671                  |
| Other income   | 5     | 53                      | -                          |
|  |       | <u>4,797,879</u>        | <u>6,206,671</u>           |
| <b>EXPENSES</b>  |       |                         |                            |
| Management fee   | 5     | ( 482,612)              | ( 681,566)                 |
| Trustee fee  | 5     | ( 642,000)              | ( 840,000)                 |
| Transaction fee  | 5     | ( 127,509)              | ( 102,851)                 |
| Accounting and professional fee  | 5     | ( 206,252)              | ( 170,006)                 |
| Audit fee  |       | ( 152,316)              | ( 152,670)                 |
| Safe custody and bank charges  | 5     | ( 49,793)               | ( 91,549)                  |
| Interest expenses  |       | -                       | ( 1,649)                   |
| Legal fee  |       | -                       | ( 177,783)                 |
| Index licensing fee  |       | ( 90,172)               | ( 149,096)                 |
| Other operating expenses   |       | ( 3,363)                | ( 7,257)                   |
|  |       | <u>( 1,754,017)</u>     | <u>( 2,374,427)</u>        |
| <b>PROFIT BEFORE INVESTMENT GAINS/(LOSSES)<br/>AND EXCHANGE GAINS</b>                        |       | <b>3,043,862</b>        | <b>3,832,244</b>           |
| <b>INVESTMENT GAINS/(LOSSES) AND EXCHANGE GAINS</b>  |       |                         |                            |
| Net realised gains on financial assets at fair value<br>through profit or loss               |       | 4,130,926               | 9,274,227                  |
| Net unrealised fair value change on financial assets at<br>fair value through profit or loss |       | ( 5,735,958)            | (17,196,934)               |
| Net exchange gains   |       | 1,911                   | 19,105                     |
|  |       | <u>( 1,603,121)</u>     | <u>( 7,903,602)</u>        |
| <b>PROFIT/(LOSS) BEFORE TAXATION</b>   |       | <b>1,440,741</b>        | <b>( 4,071,358)</b>        |
| <b>TAXATION</b>  | 8     | <b>( 117,833)</b>       | <b>( 122,683)</b>          |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>   |       | <b><u>1,322,908</u></b> | <b><u>( 4,194,041)</u></b> |

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

RESTRICTED

**PING AN OF CHINA CSI HK DIVIDEND ETF**

**(A SUB-FUND OF PING AN OF CHINA TRUST)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

**For the year ended 31 December 2016**

|  | Notes | 2016<br>HK\$  | 2015<br>HK\$  |
|--|-------|---------------|---------------|
| BALANCE BROUGHT FORWARD                                |       | 97,012,364    | 163,402,155   |
| Payment on redemption of units                         |       |               |               |
| - In-kind  | 6     | ( 10,206,985) | ( 58,633,565) |
| - Cash component and cash redemption                   |       | ( 29,415)     | ( 177,185)    |
| Net decrease from unit transactions                    |       | ( 10,236,400) | ( 58,810,750) |
| Total comprehensive income for the year                |       | 1,322,908     | ( 4,194,041)  |
| Distribution to unitholders                            | 9     | ( 2,920,000)  | ( 3,385,000)  |
| Net assets attributable to unitholders at the year end |       | 85,178,872    | 97,012,364    |

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

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**  
**STATEMENT OF DISTRIBUTION**

**For the year ended 31 December 2016**

|   | Note | 2016<br>HK\$ | 2015<br>HK\$ |
|---|------|--------------|--------------|
| Total comprehensive income for the year   |      | 1,322,908    | ( 4,194,041) |
| Less: Net unrealised fair value change on financial assets at fair value through profit or loss |      | 5,735,958    | 17,196,934   |
| Undistributed income before distribution  |      | 7,058,866    | 13,002,893   |
| Interim distribution distributed on 7 July 2016 (HK\$0.21 per unit)                             | 9    | ( 840,000)   | -            |
| Interim distribution distributed on 9 July 2015 (HK\$0.19 per unit)                             | 9    | -            | ( 1,045,000) |
| Final distribution distributed on 21 December 2016 (HK\$0.52 per unit)                          | 9    | ( 2,080,000) | -            |
| Final distribution distributed on 23 December 2015 (HK\$0.52 per unit)                          | 9    | -            | ( 2,340,000) |
| Transfer to capital   |      | ( 4,138,866) | ( 9,617,893) |
| Undistributed income at the year end  |      | -            | -            |

The amount available for distribution is the net distributable income of the Sub-Fund in respect of the relevant year, that is total income minus all expenses, subject to adjustments made in accordance with the Trust Deed. Total Income would include amount receivable by way of interests (e.g. generated from bank deposits), dividends income, or other receipts as determined by the Manager of the Sub-Fund to be in the nature of income. Unrealised gains or losses do not form part of Total Income and therefore would not impact on the amount available for distribution. The Manager of the Sub-Fund may at its discretion pay distributions out of the capital of the Sub-Fund or pay distributions out of gross income while charging/paying all or part of the Sub-Fund's fee and expenses to/out of the capital of the Sub-Fund. For the years ended 31 December 2016 and 2015, the Sub-Fund did not pay distributions out of the capital of the Sub-Fund. The amount to be distributed to unitholders, if any, will be derived from the net income of the Sub-Fund. No amount payable to unitholders in respect of any distribution shall bear interest.

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**  
**STATEMENT OF CASH FLOWS**

**For the year ended 31 December 2016**

|  | Note      | 2016<br>HK\$          | 2015<br>HK\$          |
|--|-----------|-----------------------|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |           |                       |                       |
| Profit/(loss) before tax   |           | 1,440,741             | ( 4,071,358)          |
| Adjustments for:   |           |                       |                       |
| Dividend income  |           | ( 4,797,826)          | ( 6,206,671)          |
| Net realised gains on financial assets at fair value through profit or loss                                |           | ( 4,130,926)          | ( 9,274,227)          |
| Net unrealised fair value change on financial assets at fair value through profit or loss                  |           | 5,735,958             | 17,196,934            |
|  |           | <u>( 1,752,053)</u>   | <u>( 2,355,322)</u>   |
| Purchase of financial assets at fair value through profit or loss  |           | (26,973,552)          | (22,752,097)          |
| Proceeds from sales of investments   |           | 26,690,290            | 21,273,196            |
| Decrease in amounts due from brokers   |           | -                     | 11,564,679            |
| Decrease in amount due to unitholders  |           | -                     | (11,567,850)          |
| Decrease in management fee payable   |           | ( 4,397)              | ( 45,081)             |
| Decrease in trustee fee payable  |           | ( 33,000)             | -                     |
| (Decrease)/increase in accounts payable and accrued liabilities  |           | ( 131,974)            | 78,658                |
|  |           | <u>( 2,204,686)</u>   | <u>( 3,803,817)</u>   |
| Cash used in operations  |           |                       |                       |
| Dividend received  |           | 4,756,858             | 6,204,199             |
| Taxation paid  |           | ( 117,833)            | ( 122,683)            |
|  |           | <u>2,434,339</u>      | <u>2,277,699</u>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |           |                       |                       |
| Cash component paid on redemption of units   |           | ( 29,415)             | ( 177,185)            |
| Distribution paid  |           | ( 2,920,000)          | ( 3,385,000)          |
|  |           | <u>( 2,949,415)</u>   | <u>( 3,562,185)</u>   |
| Net cash used in financing activities  |           |                       |                       |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>   |           | <b>( 515,076)</b>     | <b>( 1,284,486)</b>   |
| Cash and cash equivalents at the beginning of the year   |           | 722,377               | 2,006,863             |
|  |           | <u>722,377</u>        | <u>2,006,863</u>      |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>  | <b>11</b> | <b>207,301</b>        | <b>722,377</b>        |
|  |           | <u><u>207,301</u></u> | <u><u>722,377</u></u> |
| <b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>   |           |                       |                       |
| Cash and cash equivalents as stated in the statement of financial position and the statement of cash flows | 11        | 207,301               | 722,377               |
|  |           | <u><u>207,301</u></u> | <u><u>722,377</u></u> |

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

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2016**

**1. THE TRUST**

Ping An of China Trust (the "Trust") is an umbrella unit trust governed by its the trust deed dated 19 April 2010, as amended by supplemental deed dated 28 April 2010, 4 October 2011 and 1 February 2012 (together the "Trust Deed") and authorised by the Securities & Futures Commission of Hong Kong (The "SFC") pursuant to Section 104(1) of the Securities and Futures Ordinance. Authorisation by the SFC does not imply official approval or recommendation.

On 4 May 2011, the Trust has established a Sub-Fund and has established the other three Sub-Funds on 10 February 2012 (each a separate Sub-Fund of the Trust and referred to individually as the "Sub-Fund" or collectively as the "Sub-Funds"). As at 31 December 2016, two of the four Sub-Funds, namely Ping An of China CSI HK Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF, their financial statements are separately reported upon their termination on 30 December 2016. Ping An of China CSI RAFI A-Share 50 ETF\* (\*This is a synthetic ETF), which was one of the four Sub-Funds, was terminated on 30 June 2016. The remaining Sub-Fund that is reported under this financial statement is as follows:

| Name of the Sub-Fund                 | Listing Date on the Stock Exchange<br>of Hong Kong Limited (The "SEHK") | Listing<br>codes |
|--------------------------------------|---|------------------|
| Ping An of China CSI HK Dividend ETF | 15 February 2012  | 3070             |

The manager of the Trust is Ping An of China Asset Management (Hong Kong) Company Limited (the "Manager") and the trustee is HSBC Institutional Trust Services (Asia) Limited (the "Trustee"). The Trustee and the Manager (the "Management") of the Sub-Fund are responsible for the preparation of the financial statements.

*Ping An of China CSI HK Dividend ETF*

The investment objective of the Sub-Fund is to provide investment results that closely correspond to the performance of the CSI Hong Kong Dividend Index, which measures the performance of high dividend yield securities in the Hong Kong market by selecting the 30 securities with high dividend yield, stable dividend payment and good liquidity. The Sub-Fund directly invests in the constituent securities of CSI Hong Kong Dividend Index. The underlying index does not have China A share or B share constituent stocks.



**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2016**

**2.1 BASIS OF PREPARATION**

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

The financial statements have been prepared under a historical cost convention, except for financial assets classified at fair value through profit or loss, that have been measured at fair value.

The financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest Hong Kong dollar except where otherwise indicated.

The preparation of financial statements in uniformity with IFRSs requires the use of certain critical accounting estimates. It also requires the Management to exercise their judgment in the process of applying the Sub-Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

**2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES**

The Sub-Fund has adopted the following revised IFRS for the first time for the current year's financial statements.

Amendments to IAS 1                      Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement of profit or loss and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. These amendments do not have any impact on the Sub-Fund.

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2016**

**2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS**

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

|                     |   |
|---------------------|---|
| Amendments to IAS 7 | <i>Disclosure Initiative</i> <sup>1</sup> |
| IFRS 9              | <i>Financial Instruments</i> <sup>2</sup> |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

*IAS 7 – Disclosure Initiative – Amendments to IAS 7*

Amendments to IAS 7 were issued in June 2016 and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Sub-Fund expects to adopt the amendments from 1 January 2017.

*IFRS 9 – Financial Instruments: Classification and Measurement*

In September 2014, the IASB issued the final version of IFRS 9, which reflects all phases of the financial instruments project and replaces IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Sub-Fund expects to adopt the new standard from 1 January 2018. The Sub-Fund expects that the adoption of IFRS 9 will have an impact on the classification and measurement of the Sub-Fund's financial assets but no impact on the classification and measurement of the Sub-Fund's financial liabilities.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Financial instruments

(a) *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 14). This category includes listed equity securities.

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2016**

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

Financial instruments (continued)

(a) *Classification (continued)*

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 amount due to unitholders, management fee payable, custodian, fund administration and trustee fee payable, accrued liabilities and other short-term payables.

(b) *Recognition*

The Sub-Fund recognises a financial asset or financial liability when, and only when, they become 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.

(c) *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.

(d) *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 unrealised fair value change 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.

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2016**

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

Financial instruments (continued)

(d) *Subsequent measurement (continued)*

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.

(e) *Derecognition*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Sub-Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass through” arrangement; and either (a) the Sub-Fund has transferred substantially all the risks or rewards of the asset, or (b) the Sub-Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but have 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, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When the Sub-Fund has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Sub-Fund continues to recognise the transferred asset to the extent of the Sub-Fund’s continuing involvement. 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Sub-Fund could be required to repay.

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2016**

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

Fair value measurement

The Sub-Fund measures its derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Sub-Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 14 to the financial statements.

Impairment of financial assets

The Sub-Fund assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets classified as loans and receivables is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have 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 a 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, observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2016**

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

Impairment of financial assets (continued)

*Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Sub-Fund first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Sub-Fund determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any 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 write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position 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

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Sub-Fund's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2016**

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

Redeemable units

Redeemable units are classified as equity instruments when:

- 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.
- The redeemable units are in the class of instruments that is subordinate to all other classes of instruments.
- All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features.
- 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.
- 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:

- 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
- The effect of substantially restricting or
- Fixing the residual return to the redeemable unitholders.

The Sub-Fund's redeemable units meet the definition of puttable instruments classified as equity instruments under the revised IAS 32.

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 that are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs. No gain or loss is recognised in profit or loss on the purchase, sale issuance or cancellation of Sub-Fund's own equity instruments.

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

Amounts due to and due from broker

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that are financial liabilities, other than those classified as at fair value through profit or loss. Amounts due from brokers include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date.

Interest income and expense

Interest income and expense is recognised in profit or loss as it accrues, using the effective interest method.

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 profit or loss. Dividend expense relating to equity securities sold short is recognised when the shareholders' rights to receive the payment is established.

Net change in unrealised gain or loss 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 translation

These financial statements are presented in Hong Kong Dollars ("HK\$"), 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 recognised in profit or loss.

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.

Distribution to unitholders

Distribution is subject to the discretion of the Sub-Fund's Manager. A proposed distribution is recognised as a liability in the period in which it is approved by the Manager of the Sub-Fund.



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

Taxation

The Sub-Fund currently incurs withholding taxes imposed by certain countries on investment income. Such income is recorded gross of withholding taxes in profit or loss. Withholding taxes are shown as a separate item in profit or loss.

Related parties

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

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

or

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

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**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 and their accompanying disclosures recognised in the financial statements and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liabilities affected in the future.

Functional currency

The Management considers Hong Kong dollar to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Hong Kong dollar is the currency in which the Sub-Fund measures its performance and reports its results, as well as the currency in which the Sub-Fund determines the net asset value per unit at the time of issue or redemption. This determination also considers that the Sub-Fund is listed on the Stock Exchange of Hong Kong Limited and its shares are quoted in Hong Kong dollars.

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.

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

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

Management fee

The Manager of the Sub-Fund is entitled to receive a fee, calculated at an annual rate of 0.55% on the net asset value of Sub-Fund at each dealing day and payable monthly in arrears. The management fee for the year ended 31 December 2016 was HK\$482,612 (2015: HK\$ 681,566). As at 31 December 2016, a management fee of HK\$40,462 (2015: HK\$44,859) was payable to the Manager of the Sub-Fund.

Fee and charges paid to the Trustee/Custodian and its Connected Persons

Safe custody fee and bank charges pertain to the amount charged by The Hong Kong and Shanghai Banking Corporation Limited ("HSBC") to Sub-Fund as safe keeping fees. The safe custody fee and bank charges for the year ended 31 December 2016 were HK\$49,793 (2015: HK\$91,549). As at 31 December 2016, no safe custody fee (2015: Nil) was payable to the Trustee by the Sub-Fund.

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

Trustee fee

The Trustee is entitled to receive a trustee fee, to be accrued daily and calculated as at each dealing day and payable monthly in arrears. The Trustee fee is calculated as a percentage per annum of the net asset value of the Sub-Fund at the rate of 0.14% per annum for the first HK\$800 million of the net asset value, 0.12% per annum for the next HK\$800 million of the net asset value, and 0.10% per annum for the remaining balance of the net asset value, and is currently subject to a monthly minimum of HK\$37,000 (Prior to 1 July 2016: HK\$70,000). The Trustee is also entitled to an inception fee of HK\$80,000 for the establishment of the Sub-Fund.

Under the terms of the Trust Deed, the Trustee may, after consulting the Manager of the Sub-Fund, on giving not less than three (3) months' written notice to the relevant unitholders (or such shorter notice as the SFC approve), 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 trustee fee for the year ended 31 December 2016 was HK\$642,000 (2015: HK\$840,000) for the Sub-Fund. As at 31 December 2016, a trustee fee of HK\$37,000 (2015: HK\$70,000) was payable to the Trustee by the Sub-Fund.

Transaction costs on investment

The Sub-Fund utilises the trading services with brokers with a broker commission charge at average rate of 0.1% (10 bps) on the sale and purchase of each security acquired for the account of the Sub-Fund. Also, 0.1% stamp duty is payable on the sale and purchase of each security. The commission will be adjusted from time to time on the sale and purchase of the securities. The Sub-Fund did not enter into any transactions with any related broker for the year ended 31 December 2016 and for the year ended 31 December 2015.

Transaction handling fees

The Trustee is also entitled to transaction handling fee per transaction for the Sub-Fund. The Transaction handling fee for the year ended 31 December 2016 was HK\$16,018 (2015: HK\$11,393) for the Sub-Fund and included under Transaction fee in the financial statements. As at 31 December 2016, a transaction fee of HK\$11,671 (2015: HK\$9,495) was payable to the Trustee by the Sub-Fund and included under Accounts payable and accrued liabilities in the financial statements.

Accounting fee

The Sub-Fund also utilises the accounting services from the Trustee. Accounting fee paid to the Trustee for the year ended 31 December 2016 was HK\$85,369 (2015: HK\$85,285) by the Sub-Fund and included under Accounting and professional fee in the financial statements. As at 31 December 2016, an accounting fee of HK\$46,531 (2015: HK\$46,516) was payable to the Trustee by the Sub-Fund and included under Accounts payable and accrued liabilities in the financial statements.

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

Net assets attributable to unitholders held by the Manager of the Sub-Fund

During the years ended 31 December 2016 and 31 December 2015, the Manager of the Sub-Fund held a number of units of the Sub-Fund. The balance and the number of actual units held by the Manager of the Sub-Fund at 31 December 2016 and 2015 are summarised below:

|  | 2016  | 2015       |
|--|-------|------------|
| Number of actual units held by the Manager of the Sub-Fund                 | -     | 700,405    |
|  | HK\$  | HK\$       |
| Net assets attributable to unitholders held by the Manager of the Sub-Fund | -     | 15,099,541 |
|  | ===== | =====      |

Unit transactions with the Manager of the Sub-Fund were as follow:

|   | Currency | Approximate Total<br>Trading Volume<br>(based on trading<br>units) | Percentage of Total<br>Transactions<br>(based on trading<br>units) |
|---|----------|--|--|
| For the year ended 31 December 2016                 |          |  |  |
| Sub-Fund<br>Ping An of China CSI HK<br>Dividend ETF | HK\$     | 700,405  | 37.63%   |
| For the year ended 31 December 2015                 |          |  |  |
| Sub-Fund<br>Ping An of China CSI HK<br>Dividend ETF | HK\$     | -  | -  |

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

Bank balance

Bank balances are maintained with a group company of the Trustee, i.e. The Hongkong and Shanghai Banking Corporation Limited, which carry interest at normal commercial rates. These balances are summarised below:

|   | 2016    | 2015    |
|---|---------|---------|
|   | HK\$    | HK\$    |
| The Hongkong and Shanghai Banking Corporation Limited | 207,301 | 722,377 |
|   | =====   | =====   |

Interest Income

During the year ended 31 December 2016, the Sub-Fund earned HK\$53 (2015: Nil) as interest income from a group company of the Trustee, i.e. The Hongkong and Shanghai Banking Corporation Limited.

Interest expense

During the year ended 31 December 2016, the Sub-Fund incurred no (2015: HK\$1,649) interest expense from a group company of the Trustee, i.e. The Hongkong and Shanghai Banking Corporation Limited.

**6. MAJOR NON-CASH TRANSACTIONS**

Subscription

During the years ended 31 December 2016 and 2015, there was no subscription for the Sub-Fund.

Redemption

During the year ended 31 December 2016, the Sub-Fund redeemed 500,000 (2015: 2,500,000) units in exchange for a basket of equity securities of the Sub-Fund's underlying index shares and/or non-index shares valued at a total of HK\$10,206,985 (2015: HK\$58,633,565) plus the relevant cash component included in the statement of cash flows.

**7. SOFT COMMISSION ARRANGEMENTS**

The Manager of the Sub-Fund (and its Connected Persons) has not received any soft dollar commissions or entered into any soft dollar arrangements in respect of the management of the Sub-Fund. The Manager of the Sub-Fund (and its Connected Persons) has not retained any cash rebates from any broker or dealer.

**8. TAXATION**

No provision for Hong Kong profit 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 10% PRC withholding tax has been levied on dividend and interest payments from PRC companies to foreign investors. As such, the brokers will pass on this tax liability to the Sub-Fund in the form of a distribution tax and therefore, the Sub-Fund is subject to a distribution tax of 10%. The Manager of the Sub-Fund considers that there is no assurance that the rate of the distribution tax will not be changed by the PRC tax authorities in the future.

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**9. DISTRIBUTIONS**

The Manager of the Sub-Fund 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 distributions made by the Sub-Fund for the year ended 31 December 2016 are as follows:

|   | 2016<br>HK\$       | 2015<br>HK\$       |
|---|--------------------|--------------------|
| Interim distribution distributed on 7 July 2016<br>(HK\$0.21 per unit)    | 840,000            | -                  |
| Interim distribution distributed on 9 July 2015<br>(HK\$0.19 per unit)    | -                  | 1,045,000          |
| Final distribution distributed on 21 December 2016<br>(HK\$0.52 per unit) | 2,080,000          | -                  |
| Final distribution distributed on 23 December 2015<br>(HK\$0.52 per unit) | -                  | 2,340,000          |
|   | -----<br>2,920,000 | -----<br>3,385,000 |
|   | =====              | =====              |

**10. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

Financial assets at fair value through profit and loss

|                                  | 2016<br>HK\$ | 2015<br>HK\$ |
|----------------------------------|--------------|--------------|
| Equities:                        |              |              |
| Equity securities, at fair value | 85,220,552   | 96,749,307   |
|                                  | -----        | -----        |

**11. CASH AND CASH EQUIVALENTS**

|              | 2016<br>HK\$ | 2015<br>HK\$ |
|--------------|--------------|--------------|
| Cash at bank | 207,301      | 722,377      |
|              | -----        | -----        |

The cash at bank held with a group company of the Trustee, i.e. The Hongkong and Shanghai Banking Corporation Limited, which carry interest at normal commercial rates.

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**12. THE REDEEMABLE UNITS**

|   | 2016<br>HK\$      | 2015<br>HK\$      |
|---|-------------------|-------------------|
| Units in issue at the beginning of the year                         | 4,500,000         | 7,000,000         |
| Redemption of units   | ( 500,000)        | ( 2,500,000)      |
|   | <u>4,000,000</u>  | <u>4,500,000</u>  |
| Units in issue at the end of the year                               | 4,000,000         | 4,500,000         |
|   | <u>85,178,872</u> | <u>97,012,364</u> |
| Net asset value (in accordance with Sub-Fund's Trust Deed)          | 85,178,872        | 97,012,364        |
|   | <u>21.2947</u>    | <u>21.5583</u>    |
| Net asset value per unit (in accordance with Sub-Fund's Trust Deed) | 21.2947           | 21.5583           |

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 of the Sub-Fund 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 Hong Kong dollars (HK\$) and no fractions of a unit shall be created or issued by the Trustee of the Sub-Fund.

Units of the Sub-Fund are offered and issued at their dealing net asset value only in aggregation of a specified number of application units generally in exchange of equity securities included in their underlying indexes (Index Shares constituting the relevant basket) together with the payment of a cash component.

Units are redeemable only in an application unit or multiple thereof, in exchange for portfolio securities and cash components at the dealing net asset value. Normally, creation and redemption of units will be effected "in kind". Creation/redemption applications in cash may only be effected at the Manager's discretion under certain circumstance.

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

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

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

According to the prospectus dated 10 February 2012, as updated by adding the addendums dated 28 May 2012, 28 December 2012, 1 February 2013, 5 June 2013, 4 September 2013, 9 September 2013, 4 October 2013, 17 March 2014, 25 March 2014, 25 Apr 2014, 31 Oct 2014, 28 November 2014, 31 August 2015 and 21 March 2016, 17 June 2016, 30 June 2016, 2 September 2016, 23 September 2016, 30 September 2016 and 30 December 2016 (together the "Prospectus"), the Sub-Fund may or may not hold all the Index Shares of the relevant Underlying Index and the Manager of the Sub-Fund may overweight certain of the Index Shares relative to the relevant Index Shares' respective weightings in the relevant Underlying Index on the condition that the maximum extra weighting in any Index Share will not exceed 4% or such other percentage as determined by the Manager of the Sub-Fund after consultation with the SFC.

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

**14. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY**

Risk Management

The Sub-Fund's objective in managing risk is the creation and protection of unitholders value. Risk is inherent in the Sub-Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Sub-Fund's continuing profitability. The Sub-Fund is exposed to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments they hold. Please refer to note 1 for details of the investment objective and policies of the Sub-Fund.

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

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



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**14. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY (continued)**

Risk Management (continued)

(a) Market risk

(i) Market price risk

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

The Sub-Fund will directly invest in substantially all of the constituent securities of the CSI Hong Kong Dividend Index ("Index Shares") in substantially the same weighting (i.e. proportions) as these Index Shares have in the underlying index. The Sub-Fund is therefore exposed to substantially the same market price risk as the CSI Hong Kong Dividend Index. CSI HK Dividend Index consists of 30 constituent securities listed on the SEHK. HK Dividend ETF is therefore relatively concentrated in a limited number of stocks. The HK Dividend ETF is likely to be more volatile than a fund tracking an index with a greater number of constituent stocks, as the adverse performance of a constituent stock will have a greater impact on the value of the HK Dividend ETF.

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

|                              | 2016              |                      | 2015              |                      |
|------------------------------|-------------------|----------------------|-------------------|----------------------|
|                              | Fair value        | % of net asset value | Fair value        | % of net asset value |
|                              | HK\$              | HK\$                 | HK\$              | HK\$                 |
| <b>Equities - By Sectors</b> |                   |                      |                   |                      |
| Basic Materials              | 2,893,471         | 3.40                 | 973,424           | 1.01                 |
| Communications               | 10,259,840        | 12.04                | 7,903,862         | 8.15                 |
| Consumer, Cyclical           | 11,743,667        | 13.79                | 11,759,781        | 12.12                |
| Consumer, Non-cyclical       | 6,069,284         | 7.12                 | 5,348,530         | 5.51                 |
| Financial                    | 47,612,676        | 55.90                | 45,948,234        | 47.36                |
| Utilities                    | 6,641,614         | 7.80                 | 24,815,476        | 25.58                |
|                              | <u>85,220,552</u> | <u>100.05</u>        | <u>96,749,307</u> | <u>99.73</u>         |
|                              | =====             | =====                | =====             | =====                |

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**14. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY (continued)**

Risk Management (continued)

(a) Market risk (continued)

(i) Market price risk (continued)

Sensitivity analysis in the event of a possible change in the index by 5% as estimated by the Manager of the Sub-Fund

As at 31 December 2016, if the CSI Hong Kong Dividend Index was to increase by 5% with all other variables held constant, this would increase the pre-tax profit for the year of the Sub-Fund by approximately HK\$4 million (2015: HK\$5 million). Conversely, if such Index was to decrease by 5% this would decrease the pre-tax profit for the year by approximately equal amounts.

(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 of the Sub-Fund considers that the Sub-Fund is not subject to significant amount of 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 of the Sub-Fund considers that changes in their fair value in the event of a change in market interest rates will not be material. Therefore, no sensitivity analysis has been disclosed.

(iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk.

The Sub-Fund has transactional currency exposures. Such exposures arise from purchases and sales of financial instruments by operating units in currencies other than the Sub-Fund's functional currency.

The Sub-Fund holds assets which are mainly denominated in HK\$, the functional currency. As such, there is no currency risk at the Sub-Fund's level.

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**14. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY (continued)**

Risk Management (continued)

(b) Credit and counterparty risk

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

The Sub-Fund'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 credit rating from Standard and Poor's of banks and custodians in which the Sub-Fund's assets are held as at 31 December 2016 and 2015.

31 December 2016

|   | Credit rating | Net exposure to Counterparty HK\$ | % of Net Asset Value |
|---|---------------|-----------------------------------|----------------------|
| <u>Custodian &amp; Bank</u>                           |               |                                   |                      |
| The Hongkong and Shanghai Banking Corporation Limited | A             | 85,427,853                        | 100.29               |

31 December 2015

|   | Credit rating | Net exposure to Counterparty HK\$ | % of Net Asset Value |
|---|---------------|-----------------------------------|----------------------|
| <u>Custodian &amp; Bank</u>                           |               |                                   |                      |
| The Hongkong and Shanghai Banking Corporation Limited | A             | 97,471,684                        | 100.47               |

The Maximum exposure to credit risk at the end of the reporting period is the carrying amount of the assets as shown on the statement of financial position.

The Manager of the Sub-Fund considers that none of these assets are impaired nor past due as at 31 December 2016.

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**14. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY (continued)**

Risk Management (continued)

(c) Liquidity risk

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

As at 31 December 2016, the Sub-Fund held liquid assets, comprising bank balances and other receivables that are expected to readily generate cash inflows for managing liquidity risk.

The Sub-Fund invests the majority of their assets in investments that are traded in active markets and can be readily disposed of.

The tables below summarise the Sub-Fund's maturity analysis for financial assets and liabilities as below:

| As at 31 December 2016                                | <1 month<br>HK\$  | >1 to 3<br>months<br>HK\$ | > 3 to 12<br>months<br>HK\$ | > 1 to 5<br>years<br>HK\$ | Total<br>HK\$     |
|---|-------------------|---------------------------|-----------------------------|---------------------------|-------------------|
| <b>Financial assets</b>                               |                   |                           |                             |                           |                   |
| Financial assets at fair value through profit or loss | 85,220,552        | -                         | -                           | -                         | 85,220,552        |
| Dividend receivable                                   | 104,723           | -                         | -                           | -                         | 104,723           |
| Cash and cash equivalents                             | 207,301           | -                         | -                           | -                         | 207,301           |
| <b>Total</b>  | <b>85,532,576</b> | <b>-</b>                  | <b>-</b>                    | <b>-</b>                  | <b>85,532,576</b> |
| <b>Financial liabilities</b>                          |                   |                           |                             |                           |                   |
| Management fee payable                                | 40,462            | -                         | -                           | -                         | 40,462            |
| Trustee fee payable                                   | 37,000            | -                         | -                           | -                         | 37,000            |
| Accounts payable and accrued liabilities              | 11,671            | -                         | 264,571                     | -                         | 276,242           |
| <b>Total</b>  | <b>89,133</b>     | <b>-</b>                  | <b>264,571</b>              | <b>-</b>                  | <b>353,704</b>    |

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2016**

**14. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY (continued)**

Risk Management (continued)

(c) Liquidity risk (continued)

As at 31 December 2015

|   | <1 month<br>HK\$  | >1 to 3<br>months<br>HK\$ | > 3 to 12<br>months<br>HK\$ | > 1 to 5<br>years<br>HK\$ | Total<br>HK\$     |
|---|-------------------|---------------------------|-----------------------------|---------------------------|-------------------|
| <b>Financial assets</b>                               |                   |                           |                             |                           |                   |
| Financial assets at fair value through profit or loss | 96,749,307        | -                         | -                           | -                         | 96,749,307        |
| Dividend receivable                                   | 63,755            | -                         | -                           | -                         | 63,755            |
| Cash and cash equivalents                             | 722,377           | -                         | -                           | -                         | 722,377           |
| <b>Total</b>  | <b>97,535,439</b> | <b>-</b>                  | <b>-</b>                    | <b>-</b>                  | <b>97,535,439</b> |
| <b>Financial liabilities</b>                          |                   |                           |                             |                           |                   |
| Management fee payable                                | 44,859            | -                         | -                           | -                         | 44,859            |
| Trustee fee payable                                   | 70,000            | -                         | -                           | -                         | 70,000            |
| Accounts payable and accrued liabilities              | 26,495            | 233,521                   | 148,200                     | -                         | 408,216           |
| <b>Total</b>  | <b>141,354</b>    | <b>233,521</b>            | <b>148,200</b>              | <b>-</b>                  | <b>523,075</b>    |

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2016**

**14. FINANCIAL INSTRUMENTS, ASSETS AND LIABILITIES AND RISK MANAGEMENT POLICY**  
**(continued)**

Risk Management (continued)

(d) Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Sub-Fund's financial instruments.

|  | <u>Fair value measurement as at 31 December 2016 using</u>  |  |  |               |
|--|---|--|--|---------------|
|  | Quoted<br>prices in<br>active<br>markets<br>Level 1<br>HK\$ | Significant<br>observable<br>inputs<br>Level 2<br>HK\$ | Significant<br>unobservable<br>inputs<br>Level 3<br>HK\$ | Total<br>HK\$ |
| As at 31 December 2016   |   |  |  |               |
| <u>Financial assets at fair value<br/>through profit or loss</u> |   |  |  |               |
| Listed equity securities   | 85,220,552  | -  | -  | 85,220,552    |
| As at 31 December 2015   |   |  |  |               |
| <u>Financial assets at fair value<br/>through profit or loss</u> |   |  |  |               |
| Listed equity securities   | 96,749,307  | -  | -  | 96,749,307    |

(e) Capital management

The Sub-Fund's capital is represented by the 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 objective while maintaining sufficient liquidity to meet unitholder redemptions.

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

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2016**

**15. SEGMENT INFORMATION**

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

The Manager of the Sub-Fund considers that the Sub-Fund has a single operating segment, which is investing in securities. The objective of the Sub-Fund is 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 of the Sub-Fund for the Sub-Fund's assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of profit or loss and other comprehensive income.

The Sub-Fund is domiciled in Hong Kong. All of the Sub-Fund's income is from investments in securities which constitute its tracked index. The Sub-Fund's investments could not be categorised by relevant geography and no geographical information for performance is provided.

The Sub-Fund has portfolios that closely correspond to the security weight and industry weight of its tracked index.

**16. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Manager and the Trustee of the Sub-Fund on 26 April 2017.

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**

**INVESTMENT PORTFOLIO**

As at 31 December 2016

|  | <b>Holdings<br/>Shares</b> | <b>Market<br/>Value<br/>HK\$</b> | <b>% of<br/>NAV</b> |
|--|----------------------------|----------------------------------|---------------------|
| <b><u>Financial assets at fair value through profit or loss</u></b>        |                            |                                  |                     |
| <b>Listed investments</b>  |                            |                                  |                     |
| <b>Cambodia (1.71%)</b>  |                            |                                  |                     |
| NagaCorp Ltd   | 324,728                    | 1,454,782                        | 1.71                |
|  |                            | -----                            | -----               |
| <b>China (37.52%)</b>  |                            |                                  |                     |
| Bank of China Ltd  | 2,478,452                  | 8,525,875                        | 10.01               |
| Beijing Capital Land Ltd   | 222,633                    | 647,862                          | 0.76                |
| China Evergrande Group (formely known as Evergrande Real Estate Group Ltd) | 894,593                    | 4,320,884                        | 5.07                |
| China Hongqiao Group Ltd   | 322,003                    | 2,196,060                        | 2.58                |
| Guangzhou R&F Properties Co Ltd  | 222,800                    | 2,089,864                        | 2.45                |
| Huadian Power International Corp Ltd                                       | 374,000                    | 1,312,740                        | 1.54                |
| Huaneng Power International Inc  | 1,036,746                  | 5,328,874                        | 6.26                |
| Jiangsu Expressway Co Ltd  | 270,067                    | 2,646,657                        | 3.11                |
| KWG Property Holding Ltd   | 333,559                    | 1,467,660                        | 1.72                |
| Shenzhen Expressway Co Ltd   | 163,817                    | 1,086,107                        | 1.28                |
| Zhejiang Expressway Co Ltd   | 315,746                    | 2,336,520                        | 2.74                |
|  |                            | -----                            | -----               |
|  |                            | 31,959,103                       | 37.52               |
| <b>Great Britain (10.48%)</b>  |                            |                                  |                     |
| HSBC Holdings Plc  | 143,463                    | 8,930,572                        | 10.48               |
|  |                            | -----                            | -----               |
| <b>Hong Kong (50.34%)</b>  |                            |                                  |                     |
| Champion REIT  | 506,563                    | 2,127,564                        | 2.50                |
| CIFI Holdings Group Co Ltd   | 592,000                    | 1,237,280                        | 1.45                |
| Fortune Real Estate Investment Trust REIT                                  | 334,717                    | 2,982,328                        | 3.50                |
| Giordano International Ltd   | 272,000                    | 1,139,680                        | 1.34                |
| Hui Xian Real Estate Investment Trust                                      | 603,000                    | 2,109,299                        | 2.48                |
| Link REIT  | 166,034                    | 8,368,114                        | 9.83                |
| Man Wah Holdings Ltd   | 335,688                    | 1,762,362                        | 2.07                |
| Pacific Textiles Holdings Ltd  | 159,128                    | 1,339,858                        | 1.57                |
| PCCW Ltd   | 1,018,357                  | 4,277,099                        | 5.02                |
| Shenzhen Investment Ltd  | 672,006                    | 2,089,939                        | 2.45                |
| Television Broadcasts Ltd  | 77,587                     | 1,978,468                        | 2.32                |
| Texwinca Holdings Ltd  | 182,442                    | 924,981                          | 1.09                |
| VTech Holdings Ltd   | 38,614                     | 4,004,272                        | 4.70                |



**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**

**INVESTMENT PORTFOLIO (continued)**

As at 31 December 2016

|   | <b>Holdings<br/>Shares</b> | <b>Market<br/>Value<br/>HK\$</b> | <b>% of<br/>NAV</b> |
|---|----------------------------|----------------------------------|---------------------|
| <b><u>Financial assets at fair value through profit or loss</u></b> |                            |                                  |                     |
| <b><u>(continued)</u></b>   |                            |                                  |                     |
| <b>Listed investments (continued)</b>                               |                            |                                  |                     |
| <b>Hong Kong (50.34%) (continued)</b>                               |                            |                                  |                     |
| Yingde Gases Group Co Ltd   | 243,000                    | 697,410                          | 0.82                |
| Yue Yuen Industrial Holdings Ltd                                    | 181,954                    | 5,122,005                        | 6.01                |
| Yuexiu Real Estate Investment Trust                                 | 438,785                    | 1,794,631                        | 2.11                |
| Yuzhou Properties Co Ltd  | 341,039                    | 920,805                          | 1.08                |
|   |                            | -----                            | -----               |
|   |                            | 42,876,095                       | 50.34               |
|   |                            | -----                            | -----               |
| TOTAL EXPOSURE  |                            | 85,220,552                       | 100.05              |
|   |                            | =====                            | =====               |
| TOTAL INVESTMENTS, AT COST  |                            | 82,969,989                       |                     |
|   |                            | =====                            |                     |

**PING AN OF CHINA CSI HK DIVIDEND ETF**

**(A SUB-FUND OF PING AN OF CHINA TRUST)**

**MOVEMENTS IN INVESTMENT PORTFOLIO**

**For the year ended 31 December 2016**

| <b>INVESTMENTS</b>  | <b>Holdings<br/>As at 1<br/>January<br/>2016</b> | <b>Additions</b> | <b>Corporate<br/>Action</b> | <b>Disposals</b> | <b>Holdings<br/>As at 31<br/>December<br/>2016</b> |
|---|--|------------------|-----------------------------|------------------|--|
| <b><u>Financial assets at fair value through profit or loss</u></b>               |  |                  |                             |                  |  |
| <b>Listed investments</b>   |  |                  |                             |                  |  |
| Bank of China Ltd   | 2,776,881  | 45,000           | -                           | (343,429)        | 2,478,452  |
| Beijing Capital Land Ltd  | 174,000  | 68,000           | -                           | (19,367)         | 222,633  |
| Bosideng International Holdings Ltd   | 569,479  | -                | -                           | (569,479)        | -  |
| Champion REIT   | 395,367  | 161,000          | -                           | (49,804)         | 506,563  |
| China Dongxiang Group Co Ltd  | 566,000  | -                | -                           | (566,000)        | -  |
| China Evergrande Group (formerly<br>known as Evergrande Real Estate<br>Group Ltd) | 956,630  | 268,000          | -                           | (330,037)        | 894,593  |
| China Hongqiao Group Ltd  | 211,155  | 148,500          | -                           | (37,652)         | 322,003  |
| China Hongqiao Group Ltd Nil paid Rts<br>05/02/2016                               | -  | -                | 29,561                      | (29,561)         | -  |
| CIFI Holdings Group Co Ltd  | -  | 592,000          | -                           | -                | 592,000  |
| CLP Holdings Ltd  | 146,607  | 2,000            | -                           | (148,607)        | -  |
| Fortune Real Estate Investment Trust<br>REIT                                      | 258,350  | 105,000          | -                           | (28,633)         | 334,717  |
| Giordano International Ltd  | -  | 278,000          | -                           | (6,000)          | 272,000  |
| Guangzhou R&F Properties Co Ltd   | -  | 222,800          | -                           | -                | 222,800  |
| HSBC Holdings Plc   | 155,003  | 5,600            | -                           | (17,140)         | 143,463  |
| Huadian Power International Corp Ltd  | -  | 374,000          | -                           | -                | 374,000  |
| Huaneng Power International Inc   | 805,929  | 324,000          | -                           | (93,183)         | 1,036,746  |
| Hui Xian Real Estate Investment Trust   | -  | 672,000          | -                           | (69,000)         | 603,000  |
| Jiangsu Expressway Co Ltd   | 209,253  | 84,000           | -                           | (23,186)         | 270,067  |
| KWG Property Holding Ltd  | 256,486  | 105,500          | -                           | (28,427)         | 333,559  |
| Link REIT   | 202,464  | 2,000            | -                           | (38,430)         | 166,034  |
| Man Wah Holdings Ltd  | 133,200  | 105,600          | 118,444                     | (21,556)         | 335,688  |
| MGM China Holdings Ltd  | 195,600  | -                | -                           | (195,600)        | -  |
| NagaCorp Ltd  | 234,707  | 116,000          | -                           | (25,979)         | 324,728  |
| Pacific Textiles Holdings Ltd   | 99,105   | 71,000           | -                           | (10,977)         | 159,128  |
| PCCW Ltd  | 783,119  | 322,000          | -                           | (86,762)         | 1,018,357  |
| Power Assets Holdings Ltd   | 137,023  | 2,000            | -                           | (139,023)        | -  |
| Shenzhen Expressway Co Ltd  | 128,000  | 50,000           | -                           | (14,183)         | 163,817  |
| Shenzhen Investment Ltd   | 506,046  | 222,000          | -                           | (56,040)         | 672,006  |
| SOHO China Ltd  | 356,375  | -                | -                           | (356,375)        | -  |
| Television Broadcasts Ltd   | 60,035   | 24,200           | -                           | (6,648)          | 77,587   |
| Texwinca Holdings Ltd   | 142,119  | 56,000           | -                           | (15,677)         | 182,442  |
| VTech Holdings Ltd  | 30,150   | 11,800           | -                           | (3,336)          | 38,614   |
| Yingde Gases Group Co Ltd   | -  | 252,000          | -                           | (9,000)          | 243,000  |
| Yue Yuen Industrial Holdings Ltd  | 141,597  | 56,000           | -                           | (15,643)         | 181,954  |
| Yuexiu Real Estate Investment Trust   | 339,357  | 137,000          | -                           | (37,572)         | 438,785  |
| Yuzhou Properties Co Ltd  | 262,000  | 108,000          | -                           | (28,961)         | 341,039  |
| Zhejiang Expressway Co Ltd  | 244,951  | 102,000          | -                           | (31,205)         | 315,746  |

**PING AN OF CHINA CSI HK DIVIDEND ETF**  
**(A SUB-FUND OF PING AN OF CHINA TRUST)**

**PERFORMANCE RECORD**

**For the year ended 31 December 2016**

**Net asset value attributable to unitholders**

HK\$

|                  |                    |
|------------------|--------------------|
| 31 December 2016 | <u>85,178,872</u>  |
| 31 December 2015 | <u>97,012,364</u>  |
| 31 December 2014 | <u>163,402,155</u> |

**Net asset value per unit**

HK\$

|                            |                |
|----------------------------|----------------|
| 31 December 2016 (note 12) | <u>21.2947</u> |
| 31 December 2015 (note 12) | <u>21.5583</u> |
| 31 December 2014 (note 12) | <u>23.3432</u> |

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

|   | Highest<br>HK\$ | Lowest<br>HK\$ |
|---|-----------------|----------------|
| Financial year ended 31 December 2016   | <u>23.7096</u>  | <u>18.8529</u> |
| Financial year ended 31 December 2015   | <u>26.1078</u>  | <u>20.3196</u> |
| Financial year ended 31 December 2014   | <u>23.8615</u>  | <u>19.9335</u> |
| Financial year ended 31 December 2013   | <u>24.0640</u>  | <u>20.8996</u> |
| Financial period ended 31 December 2012 | <u>21.8935</u>  | <u>18.2448</u> |

**PING AN OF CHINA CSI HK DIVIDEND ETF**

**(A SUB-FUND OF PING AN OF CHINA TRUST)**

**UNDERLYING INDEX CONSTITUENT STOCKS DISCLOSURE**

**31 December 2016**

Constituent stocks of more than 10% of the weighting of the respective Underlying Indices as at 31 December 2016 and 31 December 2015 are listed below.

**As at 31 December 2016**

The Underlying Indices of Ping An of China CSI HK Dividend ETF, namely CSI Hong Kong Dividend Index, consisted of constituent stocks that accounted for more than 10% of the index as at 31 December 2016 as shown below.

|                                     | Weighting<br>in index (%) |
|-------------------------------------|---------------------------|
| <b>CSI Hong Kong Dividend Index</b> |                           |
| Bank of China Ltd                   | 10.06%                    |
| HSBC Holdings Plc                   | 10.52%                    |

**As at 31 December 2015**

The Underlying Indices of Ping An of China CSI HK Dividend ETF, namely CSI Hong Kong Dividend Index, consisted of constituent stocks that accounted for more than 10% of the index as at 31 December 2015 as shown below.

|                                     | Weighting<br>in index (%) |
|-------------------------------------|---------------------------|
| <b>CSI Hong Kong Dividend Index</b> |                           |
| Power Assets Holdings Ltd           | 10.09%                    |