

# PING AN OF CHINA SIF – RMB BOND FUND

(A sub-fund of PING AN OF CHINA SELECT INVESTMENT FUND SERIES,  
an open-ended unit trust established as an umbrella fund under the  
laws of Hong Kong)

Audited Financial Statements

30 June 2016

**中国平安 PING AN**

保險 · 銀行 · 投資

Fund Manager



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

Audited Financial Statements

PING AN OF CHINA SIF – RMB BOND FUND  
(a sub-fund of PING AN OF CHINA SELECT INVESTMENT  
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**IMPORTANT:**

**The 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 fund, please refer to the explanatory memorandum of the 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.**

PING AN OF CHINA SIF – RMB BOND FUND  
(a sub-fund of Ping An of China Select Investment Fund Series)

MANAGEMENT AND ADMINISTRATION

**MANAGER**

Ping An of China Asset Management (Hong Kong)  
Company Limited  
Suites 2301, 23/F,  
Two International Finance Centre,  
8 Finance Street, Central  
Hong Kong

**DIRECTORS OF THE MANAGER**

Cai Fangfang  
Chan Tak Yin  
Gao Peng  
Huang Yong  
Tung Hoi  
Wan Fang  
Yao Jun  
Yao Jason Bo  
Yu Wenjie  
Tan Sin Yin  
Chang Jack P  
Tornberg Martin (Resigned on 31 August 2015)  
Mak Nixon Kim Ho (Appointed on 31 August 2015 and  
resigned on 17 June 2016)  
Chow Woon San Shirley (Appointed on 17 June 2016)

**SOLICITORS TO THE MANAGER**

Deacons  
5/F, Alexandra House  
18 Chater Road  
Central  
Hong Kong

**TRUSTEE AND REGISTRAR**

BOCI-Prudential Trustee Limited  
12/F & 25/F, Citicorp Centre  
18 Whitfield Road  
Causeway Bay  
Hong Kong

**AUDITORS**

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

**CUSTODIAN**

Bank of China (Hong Kong) Limited  
14/F, Bank of China Tower  
1 Garden Road  
Hong Kong

PING AN OF CHINA SIF – RMB BOND FUND  
(a sub-fund of Ping An of China Select Investment Fund Series)

REPORT OF THE MANAGER TO THE UNITHOLDERS

**Introduction**

Ping An of China SIF – RMB Bond Fund (“the Sub-Fund”) is a sub-fund of the Ping An of China Select Investment Fund Series, an open-ended unit trust established as an umbrella fund pursuant to the trust deed (the “Trust Deed”) and governed by the laws of Hong Kong. The Sub-Fund aims to provide total returns comprised of interest income and capital growth and invests in offshore RMB denominated (CNH) debt securities issued or distributed outside mainland China by government, quasi-government organizations, financial institutions, and multinational organizations. The Sub-Fund has been authorized by the SFC pursuant to Section 104 of the SFO.

**Bond market review and comment**

There were two major developments in the second half of 2015 – the PBoC allowed the RMB to depreciate by 1.86% against the USD on 11th August and the IMF selected the RMB as its fifth reserve currency for the Special Drawing Rights (SDR) currency basket in November, marking an historic milestone for China. Despite the SDR inclusion, offshore RMB bonds suffered their biggest sell-off in four years as investors reduced exposure in RMB assets on the back of the devaluation. Using FTSE BOCHK offshore RMB bond index as reference, average yields widened from 4.17% in June 2015 to 4.99% in Dec 2015.

The dim sum bond market enjoyed a rally in the first half of 2016 as the CNH markets stabilized and supported by a favorable global credit environment around the world. During first half of 2016, average yields tightened from 4.99% to 4.34% based on the FTSE BOCHK offshore RMB bond index. However, the dim sum bond supply is shrinking given the relatively high funding cost and expectation of RMB depreciation. The CNH market has shrunk more than 18% in size since peaking in September 2015. On the demand side, recent new issues were all supported in both primary and secondary markets.

**Investment strategy**

The current rally in dim sum bond market is largely supported by the strong global credit market; however, we nevertheless remain cautious on this market in the coming quarters. First, we are becoming more cautious on the overall credit outlook especially the weaker state-owned enterprises. Second, RMB depreciation expectations are still present, undermining the appetite for RMB-denominated assets. Third, valuations are rich such that further spread tightening is unlikely, especially given a weak credit outlook. Last but not least, expectation of USD rate hikes and a stronger USD should put more pressure on the RMB FX rate, in turn pressuring the dim sum bond market. On funding and liquidity, although there has been an increase in new issuance recently, we do not expect to see supply to catch up with demand given the relatively high funding cost. Therefore we expect the demand for secondary bonds are technically supported, especially for short dated bonds which yields to maturity are still attractive compared to other credit assets.

PING AN OF CHINA SIF – RMB BOND FUND  
(a sub-fund of Ping An of China Select Investment Fund Series)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

**Performance of the Sub-Fund**

As at 30 June 2016 (the “last valuation date”), total size of the Sub-Fund was approximately RMB290.68 million. Net Asset Value (“NAV”) of our three currency classes are set forth below:

The NAV of Class A RMB per unit was RMB102.18 including dividend distributions of RMB1.60 per unit on 13 June 2016. The total number of units issued was 2,769,699.14.

Total return performance (As at 30 June 2016)	1-month	3-month	6-month	12-month	Since Inception 28 April 2011
Ping An of China SIF – RMB Bond Fund - Class A RMB	1.08%	2.82%	5.1%	6.73%	22.52%

The NAV of Class A HKD per unit was HKD93.31 including dividend distributions of HKD1.48 per unit on 13 June 2016. The total number of units issued was 1,954.97.

Total return performance (As at 30 June 2016)	1-month	3-month	6-month	12-month	Since Inception 1 March 2013
Ping An of China SIF – RMB Bond Fund - Class A HKD	-0.22%	-0.14%	3.71%	-0.54%	8.21%

The NAV of Class A USD per unit was USD9.24 including dividend distributions of USD0.15 per unit on 13 June 2016. The total number of units issued was 124,305.85.

Total return performance (As at 30 June 2016)	1-month	3-month	6-month	12-month	Since Inception 1 March 2013
Ping An of China SIF – RMB Bond Fund - Class A USD	-0.11%	-0.22%	3.64%	-0.65%	8.08%

Notes:

1. Past performance figures shown are not indicative of the future performance of the Sub-Fund.
2. Returns are calculated on a NAV-to-NAV basis, with dividend reinvested.
3. SFC authorization is not a recommendation or endorsement of the Sub-Fund nor does it guarantee the commercial merits of the Sub-Fund or its performance. It does not mean the Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

PING AN OF CHINA SIF – RMB BOND FUND  
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REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager, Ping An of China Asset Management (Hong Kong) Company Limited, has, in all material respects, managed Ping An of China SIF – RMB Bond Fund (a sub-fund of Ping An of China Select Investment Fund Series) for the year ended 30 June 2016 in accordance with the provisions of the Trust Deed dated 11 April 2011, as amended by supplemental deeds dated 11 April 2011, 4 February 2014, 7 March 2014, 25 April 2014 and 21 July 2016 (together the “Trust Deed”).

On behalf of  
BOCI-Prudential Trustee Limited, the Trustee

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24 October 2016

## **Independent auditors' report**

### **To the unitholders of Ping An of China SIF – RMB Bond Fund (a sub-fund of Ping An of China Select Investment Fund Series, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)**

We have audited the financial statements of Ping An of China SIF – RMB Bond Fund (the “Sub-Fund”) of Ping An of China Select Investment Fund Series set out on pages 7 to 37, which comprise the statement of financial position as at 30 June 2016, and 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 a summary of significant accounting policies and other explanatory information.

#### **Trustee’s and Manager’s Responsibility for the Financial Statements**

The Trustee and the Manager of the Sub-Fund are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and 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 11 April 2011, as amended by supplemental deeds dated 11 April 2011, 4 February 2014, 7 March 2014, 25 April 2014 and 21 July 2016 (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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors’ Responsibility**

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

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also required to assess whether 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Sub-Fund's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee and the Manager, as well as evaluating the overall presentation of the financial statements.

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

**Independent auditors' report (continued)**  
**To the unitholders of Ping An of China SIF – RMB Bond Fund**  
**(a sub-fund of Ping An of China Select Investment Fund Series,**  
**an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)**

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 30 June 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been properly prepared, in 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.

Hong Kong  
24 October 2016

PING AN OF CHINA SIF – RMB BOND FUND  
(a sub-fund of Ping An of China Select Investment Fund Series)

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	2016 RMB	2015 RMB
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	8	277,903,622	453,884,860
Prepayments		5,112	4,841
Amount due from brokers	7	-	16,141,175
Interest receivable on financial assets		5,809,300	6,847,589
Dividend receivable on financial assets		234,740	1,001,096
Subscription proceeds receivable		49,560	200,495
Cash and cash equivalents	9	<u>13,267,390</u>	<u>54,851,236</u>
<b>TOTAL ASSETS</b>		<u><u>297,269,724</u></u>	<u><u>532,931,292</u></u>
<b>LIABILITIES</b>			
Amount due to brokers	10	-	35,067,534
Redemption proceeds payable		1,524,268	2,260,114
Management fee payable	4	242,125	851,561
Trustee fee payable	4	40,000	58,207
Distribution payable to unitholders		4,644,340	7,737,816
Accrued expenses and other payables		<u>140,763</u>	<u>141,351</u>
<b>TOTAL LIABILITIES</b>		<u><u>6,591,496</u></u>	<u><u>46,116,583</u></u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	11	<u><u>290,678,228</u></u>	<u><u>486,814,709</u></u>
<b>NUMBER OF UNITS IN ISSUE (CLASS A RMB)</b>			
NUMBER OF UNITS IN ISSUE (CLASS A RMB)	11	2,768,076.59	4,768,913.61
NUMBER OF UNITS IN ISSUE (CLASS A HKD)	11	1,954.97	6,975.81
NUMBER OF UNITS IN ISSUE (CLASS A USD)	11	124,305.85	194,976.01
<b>NET ASSET VALUE PER UNIT (CLASS A RMB)</b>			
NET ASSET VALUE PER UNIT (CLASS A RMB)	11	102.18	99.51
NET ASSET VALUE PER UNIT (CLASS A HKD)	11	93.31	97.53
NET ASSET VALUE PER UNIT (CLASS A USD)	11	9.24	9.67

.....  
Manager

.....  
Trustee

PING AN OF CHINA SIF – RMB BOND FUND  
(a sub-fund of Ping An of China Select Investment Fund Series)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Notes	2016 RMB	2015 RMB
<b>INCOME</b>			
Interest income on financial assets at fair value through profit or loss		25,381,727	39,207,515
Dividend income on financial assets at fair value through profit or loss		721,315	1,001,096
Interest income on bank deposits		277,115	746,668
Net losses on financial assets at fair value through profit or loss	8	( 1,526,313)	( 12,148,091)
Other income		<u>222,500</u>	<u>262,500</u>
		<u>25,076,344</u>	<u>29,069,688</u>
<b>EXPENSES</b>			
Management fee	4	( 3,712,975)	( 6,713,588)
Trustee fee	4	( 533,451)	( 921,656)
Legal and professional fee		( 18,920)	( 18,227)
License fee		( 9,823)	( 9,542)
Custodian fee	4	( 116,796)	( 204,913)
Audit fee		( 148,689)	( 137,541)
Printing and publishing expenses		( 92,928)	( 81,973)
Brokerage fees and other transaction costs		( 14,250)	( 29,450)
Exchange loss		( 31,129)	( 64,143)
Other operating expenses		<u>( 22,804)</u>	<u>( 26,694)</u>
		<u>( 4,701,765)</u>	<u>( 8,207,727)</u>
<b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>20,374,579</u>	<u>20,861,961</u>

PING AN OF CHINA SIF – RMB BOND FUND  
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 30 June 2016

	Note	2016 RMB	2015 RMB
BALANCE BROUGHT FORWARD		<u>486,814,709</u>	<u>919,708,595</u>
Proceeds on issue of units		6,466,829	39,575,397
Payment on redemption of units		( 209,626,700)	( 469,656,126)
Net decrease from unit transactions		( 203,159,871)	( 430,080,729)
Profit and total comprehensive income for the year		20,374,579	20,861,961
Distribution to unitholders	6	( 13,351,189)	( 23,675,118)
Net assets attributable to unitholders at the year end		<u>290,678,228</u>	<u>486,814,709</u>

PING AN OF CHINA SIF – RMB BOND FUND  
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STATEMENT OF DISTRIBUTION

	Notes	RMB
For the year ended 30 June 2016		
Profit and total comprehensive income for the year		20,374,579
Add: Change in unrealised gain/loss on financial assets at fair value through profit or loss	8	<u>1,892,414</u>
Undistributed income before distribution		22,266,993
Interim distribution distributed on 17 December 2016 (RMB2.30/HKD2.14/USD0.21 per unit)	6	( 8,708,528)
Final distribution distributed on 13 June 2016 (RMB1.60/HKD1.48/USD0.15 per unit)	6	( 4,642,661)
Transfer to capital		( <u>8,915,804</u> )
Undistributed income at 30 June 2016		<u><u>-</u></u>
For the year ended 30 June 2015		
Profit and total comprehensive income for the year		20,861,961
Add: Change in unrealised gain/loss on financial assets at fair value through profit or loss	8	<u>4,943,378</u> 25,805,339
Undistributed income before distribution		
Interim distribution distributed on 12 December 2014 (RMB2.30/HKD2.26/USD0.22 per unit)	6	(15,937,052)
Final distribution distributed on 15 June 2015 (RMB1.55/HKD1.52/USD0.15 per unit)	6	( 7,738,066)
Transfer to capital		( <u>2,130,221</u> )
Undistributed income at 30 June 2015		<u><u>-</u></u>

The amount available for distribution is the net distributable income of the Sub-Fund in respect of the relevant year, that is total income ("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 and debt securities), dividends, or other receipts as determined by the Manager 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 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 fees and expenses to/ out of the capital of the Sub-Fund. For the year ended 30 June 2016, the Sub-Fund has not paid distributions out of the capital of the Sub-Fund.

PING AN OF CHINA SIF – RMB BOND FUND  
(a sub-fund of Ping An of China Select Investment Fund Series)

STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	Notes	2016 RMB	2015 RMB
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the year		20,374,579	20,861,961
Adjustments for:			
Interest income on financial assets at fair value through profit or loss		( 25,381,727)	( 39,207,515)
Dividend income on financial assets at fair value through profit or loss		( 721,315)	( 1,001,096)
Interest income on bank deposits		( 277,115)	( 746,668)
Other income		( 222,500)	( 262,500)
Net losses on financial assets at fair value through profit or loss	8	1,526,313	12,148,091
Purchases of financial assets at fair value through profit or loss		( 195,475,159)	( 443,010,628)
Proceeds from sales of financial assets at fair value through profit or loss		351,003,725	850,779,575
Increase in prepayments		( 271)	( 122)
(Decrease)/Increase in management fee payable		( 609,436)	60,534
Decrease in trustee fee payable		( 18,207)	( 49,845)
Decrease in accrued expenses and other payables		( 588)	( 8,018)
Cash generated from operations		150,198,299	399,563,769
Dividend received		1,487,671	-
Interest received		26,919,631	45,685,440
Net cash flows from operating activities		<u>178,605,601</u>	<u>445,249,209</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of units		6,617,764	44,999,418
Payments for redemption of units		( 210,362,546)	( 470,754,243)
Distribution to unitholders		( 16,444,665)	( 36,308,279)
Net cash flows used in financing activities		<u>( 220,189,447)</u>	<u>( 462,063,104)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		( 41,583,846)	( 16,813,895)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>			
		<u>54,851,236</u>	<u>71,665,131</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
		<u><u>13,267,390</u></u>	<u><u>54,851,236</u></u>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents as stated in the statement of financial position and the statement of cash flows	9	<u><u>13,267,390</u></u>	<u><u>54,851,236</u></u>

PING AN OF CHINA SIF – RMB BOND FUND  
(a sub-fund of Ping An of China Select Investment Fund Series)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

1. THE SUB-FUND

Ping An of China Select Investment Fund Series (the "Trust") was constituted as an open-ended unit trust established as an umbrella fund under the laws of Hong Kong pursuant to a trust deed dated 11 April 2011, as amended by supplemental deed dated 11 April 2011, 4 February 2014, 7 March 2014, 25 April 2014 and 21 July 2016 (together the "Trust Deed") between Ping An of China Asset Management (Hong Kong) Company Limited (the "Manager") and BOCI-Prudential Trustee Limited (the "Trustee") (collectively referred to as the "Management").

Ping An of China SIF - RMB Bond Fund (the "Sub-Fund") was constituted as a separate sub-fund of the Trust on 11 April 2011. The initial RMB Share Class of the Sub-Fund was launched on 28 April 2011, with USD Share Class and HKD Share Class subsequently launched on 1 March 2013. The Sub-Fund is an open-ended unit trust and is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") under Section 104(1) of the Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC (the "SFC Code"). Authorisation by the SFC does not imply official approval or recommendation. The Sub-Fund was launched and incepted on 28 April 2011.

The investment objective of the Sub-Fund is to achieve long-term capital growth in RMB terms through investment in a portfolio consisting mainly of RMB denominated fixed rate debt instruments which will generate a steady flow of income for the Sub-Fund.

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.

They have been prepared on a historical cost basis, except for financial assets classified at fair value through profit or loss, that have been measured at fair value.

The financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest RMB 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 area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3 to the financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Annual Improvements to IFRSs 2010-2012 Cycle  
Annual Improvements to IFRSs 2011-2013 Cycle  
Amendments to IAS 1 Disclosure Initiative

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and the impact of each amendment is described below:

The *Annual Improvements to IFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of IFRSs. Details of the amendment that is effective for the current year are as follows:

*IAS 24 Related Party Disclosure:* Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has no impact on the Sub-Fund as the Sub-Fund does not receive any management services from other entities.

The *Annual Improvements to IFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of IFRSs. Details of the amendment that is effective for the current year are as follows:

*IFRS 13 Fair Value Measurement:* clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 or IAS 19 as applicable. The amendment is applied prospectively from the beginning of the annual period in which IFRS 13 was initially applied. The amendment has had no impact on the Sub-Fund as the Sub-Fund does not apply the portfolio exception in IFRS 13.

Amendments to IAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

- (i) the materiality requirements in IAS 1;
- (ii) that specific line items in the profit or loss and the statement of financial position may be disaggregated;
- (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and
- (iv) that the share of other comprehensive income of associate and joint ventures accounted for using the equity method must be presented in aggregated as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the profit and loss. The amendment has had no significant impact on the Sub-Fund's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

IFRS 9	<i>Financial Instruments</i> <sup>2</sup>
Annual Improvements 2012-2014 Cycles	<i>Amendments to a number of HKFRSs</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

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

*IFRS 9 – Financial Instruments:* Classification and Measurement

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

In July 2014, the IASB issued the final version of *IFRS 9 Financial Instruments*, which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and

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

Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

Early application of previous versions of IFRS 9 (2009, 2010, and 2013) is permitted if the date of initial application is before 1 February 2015. The new standard is not expected to have a significant impact on the financial statements of the Sub-Fund.

#### *Amendments under Annual Improvements to IFRSs 2012-2014 Cycle*

The *Annual Improvements to IFRSs 2012-2014 Cycle* issued in October 2014 sets out amendments to a number of IFRSs. None of the amendments have had a significant financial impact on the Sub-Fund. Details of the amendments are as follows:

*IFRS 7 Financial Instruments: Disclosures*: Clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the IFRS 7 disclosures are required.

*IFRS 7 Financial Instruments: Disclosures*: Clarifies that the disclosures in respect of the offsetting of financial assets and financial liabilities in IFRS 7 are not required in the condensed interim financial statements, except where the disclosures provide a significant update to the information reported in the most recent annual report, in which case the disclosures should be included in the condensed interim financial statements.

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Investments and other financial assets

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

##### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives,

## NOTES TO THE FINANCIAL STATEMENTS

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including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (continued)

##### *Subsequent measurement (continued)*

##### *Financial assets at fair value through profit or loss (continued)*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive and negative net changes in fair value presented as net gain or loss on financial assets at fair value through profit or loss in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for “Revenue recognition” below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

##### Other financial liabilities

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

##### Derecognition of financial assets

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

When the Sub-Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it 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.

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

The Sub-Fund measures its 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 categorized 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 categorization (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 12 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 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 classified as loans and receivables that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

2.4 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 expected 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 amount of 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.

Functional and presentation currency

The Sub-Fund's functional currency is the RMB, which is the currency of the primary economic environment in which it operates. The Sub-Fund's performance is evaluated and its liquidity is managed in RMB. Therefore, the RMB is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Sub-Fund's presentation currency is also the RMB.

Foreign currency transactions

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Redeemable units

Redeemable units are classified as an equity instrument when:

- (a) The redeemable units entitle the holder to a pro-rata share of the Sub-Fund's net assets in the event of the Sub-Fund's liquidation.
- (b) The redeemable units are in the class of instruments that is subordinate to all other classes of instruments.
- (c) All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features.
- (d) The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro-rata share of the Sub-Fund's net assets.
- (e) The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund over the life of the instrument.

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

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

The Sub-Fund's redeemable units 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 equity transactions.

Upon issuance of 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

Own equity instruments which are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognized in the profit or loss on the purchase, sale, issuance or cancellation of the Sub-Fund's own equity instruments.

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Distributions to unitholders

Distributions are at the discretion of the Sub-Fund. A distribution to the Sub-Fund's unitholders is accounted for as a deduction from retained profit. A proposed distribution is recognised as a liability in the period in which it is approved by the Manager of the Sub-Fund.

#### 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 into 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.

#### Interest income

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

#### Dividend income

Dividend income is recognised when the Sub-Fund's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### Net gain or loss on financial assets and liabilities 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.

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).

#### Fees and commissions

Fees and commissions are recognised on an accrual basis.

#### 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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

- (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);

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Related parties (continued)

- (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.

#### Taxation

The Sub-Fund is exempt from Hong Kong profit tax on profits arising from authorised activities under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance. However, in some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment income in profit or loss, if any. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

#### 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. Amounts due from brokers are receivables for securities sold (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date.

### 3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

#### *Taxation*

In preparing these financial statements, the Sub-Fund's 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.

#### *Going concern*

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

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4. FEES

Management fee

The Manager is entitled to receive, on an annual basis, a management fee from the Sub-Fund, at a rate of 1% per annum with respect to the net asset value of the Sub-Fund calculated and accrued on each dealing day and are paid monthly in arrears. The management fee for the year ended 30 June 2016 was RMB3,712,975 (2015: RMB6,713,588). At 30 June 2016, management fee of RMB242,125 (2015: RMB851,561) was payable to the Manager

Trustee fee

The Trustee is entitled to receive, on an annual basis, a trustee fee from the Sub-Fund, effective from 1 January 2015 at a rate of 0.15% per annum on the first RMB 200 million of the net asset value of each class of the Sub-Fund, 0.125% per annum on the next RMB 200 million of the net asset value of each class of the Sub-Fund, and 0.11% per annum on the remaining balance of the net asset value of each class of the Sub-Fund calculated, subject to a minimum monthly fee of RMB40,000 and accrued on each dealing day and is paid monthly in arrears. The trustee fee for the year ended 30 June 2016 was RMB533,451 (2015: RMB921,656). At 30 June 2016, trustee fee of RMB40,000 (2015: RMB58,207) was payable to the Trustee.

Custodian fee

The Custodian is entitled to receive, on an annual basis, a custodian fee from the Sub-Fund, at a rate of 0.025% per annum of the net asset value of the Sub-Fund calculated and is paid monthly in arrears.

The custodian fee for the year ended 30 June 2016 was RMB116,796 (2015: RMB204,913). At 30 June 2016, nil balance of custodian fee was payable to the Custodian (2015: Nil).

5. INCOME TAX

The Sub-Fund is exempt from Hong Kong profit tax on profits arising from authorised activities under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

6. DISTRIBUTION

	2016 RMB	2015 RMB
Interim dividend RMB2.30/HKD2.14/USD0.21 per unit (2015: RMB2.30/HKD2.26/USD0.22 per unit)	8,708,528	15,937,052
Final dividend RMB1.60/HKD1.48/USD0.15 per unit (2015: RMB1.55/HKD1.52/USD0.15 per unit)	<u>4,642,661</u>	<u>7,738,066</u>
	<u>13,351,189</u>	<u>23,675,118</u>

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The amount available for distribution is the net distributable income of the Sub-Fund in respect of the relevant year, that is total income (“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 and debt securities), dividends, or other receipts as determined by the Manager to be in the nature of income. Capital gains or losses in unrealised do not form part of Total Income and therefore would not impact on the amount available for distribution. Net Income available for distribution in respect of the financial year 2016 of the Sub-Fund is arisen from the total income deducted by administrative expenses within the relevant period.

7. AMOUNT DUE FROM BROKERS

	2016 RMB	2015 RMB
Receivables for securities sold but not yet settled	<u>-</u>	<u>16,141,175</u>

Receivables are non-interest-bearing. Receivables were neither past due nor impaired with no recent history of default. There has not been a significant change in credit quality for these balances and the balances are still considered fully recoverable.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016 RMB	2015 RMB
Debt securities, at fair value	270,812,902	423,158,560
Preference shares, at fair value	<u>7,090,720</u>	<u>30,726,300</u>
Total financial assets at fair value through profit or loss	<u>277,903,622</u>	<u>453,884,860</u>

Gains/(losses) recognised in relation to financial assets at fair value through profit or loss:

- realised gain/(loss) on sale of financial assets	366,101	( 7,204,713)
- change in unrealised gain/loss on financial assets	<u>( 1,892,414)</u>	<u>( 4,943,378)</u>
Net loss on financial assets at fair value through profit or loss	<u>( 1,526,313)</u>	<u>( 12,148,091)</u>

9. CASH AND CASH EQUIVALENTS

	2016 RMB	2015 RMB
Bank balance	13,267,390	44,778,619
Short-term deposits	<u>-</u>	<u>10,072,617</u>
Cash and cash equivalents	<u>13,267,390</u>	<u>54,851,236</u>

The bank balance is the cash at bank held with Bank of China (Hong Kong) Limited, an affiliate company of the Trustee, being held in an interest bearing account. Short-term deposits were made for less than one month depending on the immediate cash requirements of the Sub-Fund, and earn interest at the respective short-term deposit rates.

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10. AMOUNT DUE TO BROKERS

	2016 RMB	2015 RMB
Payables for securities purchased but not yet settled	<u>-</u>	<u>35,067,534</u>

The balances are non-interest-bearing and repayable within a month.

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11. THE REDEEMABLE UNITS

The following is the subscription/(redemption) of units of the Sub-Fund during the year ended 30 June 2016:

	Number of Units Class A HKD	Number of Units Class A USD	Number of Units Class A RMB
Units in issue at 30 June 2014	14,196	187,988	9,098,051
Issue of units	5,664	134,029	312,379
Redemption of units	(12,884)	(127,041)	(4,641,516)
Units in issue at 30 June 2015	6,976	194,976	4,768,914
Issue of units	-	11,112	58,503
Redemption of units	(5,021)	(81,782)	(2,059,340)
Units in issue at 30 June 2016	<u>1,955</u>	<u>124,306</u>	<u>2,768,077</u>

The net asset value is calculated by determining the value of the assets attributable to the Sub-Fund, including accrued income, and deducting all its liabilities at 30 June 2016. The resultant sum is divided by the total number of units in issue at 30 June 2016 to give the net asset value per unit and adjusting the resultant sum to the nearest 2 decimal places.

	2016 RMB	2015 RMB
Net asset value	<u>290,678,228</u>	<u>486,814,709</u>
Net asset value per unit (Class A RMB)	102.18	99.51
Net asset value per unit (Class A HKD)	93.31	97.53
Net asset value per unit (Class A USD)	<u>9.24</u>	<u>9.67</u>

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES

Capital management

The Sub-Fund's objectives for managing capital are to invest the capital in investments in order to achieve its investment objective while maintaining sufficient liquidity to meet the expenses of the Sub-Fund, and to meet redemption requests as they arise.

Investment in the Sub-Fund is subject to normal market fluctuations and other risks inherent in investing in securities and there can be no assurance that any appreciation in value will occur. The value of investments and the income from them fluctuate and therefore the value of the redeemable participating units can fall as well as rise.

The performance of the Sub-Fund will be affected by a number of risk factors, including the following:

**Market risk**

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investors' expectation etc. which may

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12. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Capital management (continued)

**Market risk**

have significant impact on the value of the investments. Market movement may therefore result in substantial fluctuation in the net asset value per redeemable unit of the Sub-Fund.

The maximum risk resulting from financial instruments equals their fair value.

The Sub-Fund assumes market risk in trading activities. The Sub-Fund distinguishes market risk as follows:

- Price risk
- Interest rate risk
- Foreign exchange risk

Price risk

The Sub-Fund's market price risk is managed through diversification of the investment portfolio as well as investing in securities with strong fundamentals. The table below summarises the overall market exposures of the Sub-Fund by market and the impact of increases/ decreases from the Sub-Fund's financial assets at fair value through profit or loss on the Sub-Fund's net asset value at 30 June 2016. The analysis is based on the assumption that the underlying investments increased/decreased by a reasonable possible shift, with all other variables held constant. The Manager has used its view of what would be a "reasonable possible shift" in each key market to estimate the change in the sensitivity analysis below. However, this does not represent a prediction of the future movement in the corresponding key markets.

	Carrying value of financial assets at fair value through profit or loss RMB	% of net assets %	Reasonable possible shift in underlying securities % +/-	Estimated possible change in net asset value RMB +/-
At 30 June 2016				
Financial assets at fair value through profit or loss	277,903,622	95.61	1	2,779,036
At 30 June 2015				
Financial assets at fair value through profit or loss	453,884,860	93.24	1	4,538,849

Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of interest-bearing assets and future cash flow.

As the Sub-Fund has invested in debt securities whose values are driven significantly by changes in interest rates, the Sub-Fund is subject to interest rate risk. When interest rates rise, the value of previously acquired debt securities will normally fall because new debt securities acquired will pay a higher rate of interest. In contrast, if interest rates fall, then the value of the previously acquired debt

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securities will normally rise. The Manager regularly assesses the economic condition, monitor changes

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

**Market risk** (continued)

Interest rate risk (continued)

in interest rates outlook and takes appropriate measures accordingly to control the impact of interest rate risk. In a rising interest rate environment, the Sub-Fund will acquire debts with a shorter maturity profile to minimise the negative impact to the portfolio.

The majority of interest rate exposure arises on investments in debt securities. Most of the Sub-Fund's investments in debt securities carry fixed interest rates and mature within five years.

The following table demonstrates the sensitivity of the Sub-Fund's profit or loss for the year to a reasonably possible change in interest rates, with all other variables held constant.

	Change in basis points	Sensitivity of change in fair value of investments (decrease)/increase
At 30 June 2016		
- RMB	+25/-25	(853,626)/853,670
At 30 June 2015		
- RMB	+25/-25	(2,051,963)/2,051,963

The Sub-Fund also has interest-bearing bank and term deposits. As the bank and short term deposits have maturity dates within three months, the Manager considers the movement in interest rates will have insignificant cash flow impact on the daily net assets attributable to holders of redeemable units at 30 June 2016 and therefore no sensitivity analysis on bank and term deposit is presented.

Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Sub-Fund holds assets and liabilities mainly denominated in RMB, the functional currency of the Sub-Fund. The Manager considers the Sub-Fund is not exposed to significant currency risk and therefore no sensitivity analysis is presented.

**Liquidity risk**

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

For the RMB income instruments in which the Sub-Fund invests are not listed on a stock exchange or a securities market, trading is conducted on a regular basis. There is also no guarantee that market making arrangements will be in place to make a market and quote a price for all RMB income instruments. In the absence of an active secondary market, the Sub-Fund may need to hold the RMB income instruments until their maturity date. If sizeable redemption requests are received, the Sub-Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Sub-Fund may suffer losses in trading such instruments. Even if a secondary market is

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developed, the price at which the RMB income instruments are traded may be higher or lower than the initial subscription price due to many factors including the prevailing interest rates.

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

***Liquidity risk (continued)***

Further, the bid and offer spread of the price of RMB income instruments may be high, and the Sub-Fund may therefore incur significant trading costs and may even suffer losses when selling such investments. The Manager seeks to control the liquidity risk of the investment portfolio by a series of internal management measures in order to meet unitholders' redemption requests.

*Financial liabilities*

The maturity grouping is based on the remaining period from the end of the reporting year to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Sub-Fund can be required to pay.

*Financial assets*

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

The following table summarises the maturity profile of the Sub-Fund's financial liabilities. Balances due within 1 year equal their carrying amounts, as the impact of discounting is insignificant. The table also analyses the maturity profile of the Sub-Fund's financial assets (undiscounted where appropriate) in order to provide a complete view of the Sub-Fund's contractual commitments and liquidity.

PING AN OF CHINA SIF – RMB BOND FUND  
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

**Liquidity risk** (continued)

	On demand RMB'000	Less than 1 month RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
<b>At 30 June 2016</b>						
<u>Assets</u>						
Cash and cash equivalents	13,267	-	-	-	-	13,267
Financial assets at fair value through profit or loss	-	-	93,676	166,036	18,192	277,904
Interest receivable on financial assets at fair value through profit or loss	-	3,438	2,371	-	-	5,809
Dividend receivable on financial assets at fair value through profit or loss	-	-	235	-	-	235
Subscription proceeds receivable	-	50	-	-	-	50
Total financial assets	<u>13,267</u>	<u>3,488</u>	<u>96,282</u>	<u>166,036</u>	<u>18,192</u>	<u>297,265</u>
<u>Liabilities</u>						
Redemption proceeds payable	-	1,524	-	-	-	1,524
Management fee payable	-	242	-	-	-	242
Trustee fee payable	-	40	-	-	-	40
Distribution payable to unitholders	-	4,644	-	-	-	4,644
Accrued expenses and other payables	-	-	141	-	-	141
Total financial liabilities	<u>-</u>	<u>6,450</u>	<u>141</u>	<u>-</u>	<u>-</u>	<u>6,591</u>

PING AN OF CHINA SIF – RMB BOND FUND  
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

**Liquidity risk** (continued)

	On demand RMB'000	Less than 1 month RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
<b>At 30 June 2015</b>						
<u>Assets</u>						
Cash and cash equivalents	54,851	-	-	-	-	54,851
Amount due from brokers	16,141	-	-	-	-	16,141
Financial assets at fair value through profit or loss	-	5,011	84,533	287,735	76,606	453,885
Interest receivable on financial assets at fair value through profit or loss	-	2,800	4,042	-	-	6,842
Interest receivable on bank deposits	-	5	-	-	-	5
Dividend receivable on financial assets at fair value through profit or loss	-	-	1,001	-	-	1,001
Subscription proceeds receivable	-	200	-	-	-	200
<b>Total financial assets</b>	<b><u>70,992</u></b>	<b><u>8,016</u></b>	<b><u>89,576</u></b>	<b><u>287,735</u></b>	<b><u>76,606</u></b>	<b><u>532,925</u></b>
<u>Liabilities</u>						
Redemption proceeds payable	-	2,260	-	-	-	2,260
Management fee payable	442	410	-	-	-	852
Trustee fee payable	-	58	-	-	-	58
Distribution payable to unitholders	-	7,738	-	-	-	7,738
Accrued expenses and other payables	-	5	136	-	-	141
Amount due to brokers	<u>35,068</u>	-	-	-	-	<u>35,068</u>
<b>Total financial liabilities</b>	<b><u>35,510</u></b>	<b><u>10,471</u></b>	<b><u>136</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>46,117</u></b>

**Credit and counterparty risk**

The Sub-Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

If the issuer of any of the fixed interest securities in which the Sub-Fund's assets are invested defaults, the performance of the Sub-Fund will be adversely affected.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

***Credit and counterparty risk*** (continued)

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

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of bank deposits and assets held with the custodian. The table below summarises the Sub-Fund's assets placed with banks and the custodian:

	RMB	Credit rating	Source of credit rating
<u>At 30 June 2016</u>			
<u>Banks</u>			
Bank of China (Hong Kong)	13,267,390	A	S&P
<u>Custodian</u>			
Bank of China (Hong Kong)	277,908,622	A	S&P
<u>At 30 June 2015</u>			
<u>Banks</u>			
Bank of China (Hong Kong)	44,778,619	A	S&P
Bank of Communications Co., Ltd. Hong Kong Branch	10,072,617	A-	S&P
<u>Custodian</u>			
Bank of China (Hong Kong)	453,884,860	A	S&P

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

***Fair value hierarchy of financial instruments***

The following tables illustrate the fair value measurement hierarchy of the Sub-Fund's financial instruments (other than those with carrying amounts that reasonably approximate to fair value):

At 30 June 2016

	Fair value measurement using			Total RMB
	Quoted	Significant	Significant	
	prices in	observable	unobservable	
	active markets	inputs	inputs	
Level 1	Level 2	Level 3		
RMB	RMB	RMB		
Financial assets at fair value through profit or loss:				
-Listed bond securities	-	270,812,902	-	270,812,902
-Listed equity securities	-	7,090,720	-	7,090,720
		<u>277,903,622</u>		<u>277,903,622</u>

At 30 June 2015

	Fair value measurement using			Total RMB
	Quoted	Significant	Significant	
	prices in	observable	unobservable	
	active markets	inputs	inputs	
Level 1	Level 2	Level 3		
RMB	RMB	RMB		
Financial assets at fair value through profit or loss:				
-Listed bond securities	-	423,158,560	-	423,158,560
-Listed equity securities	-	30,726,300	-	30,726,300
	-	<u>453,884,860</u>	-	<u>453,884,860</u>

There are no investments classified within level 3 and no transfer was noted for the year ended 30 June 2016.

A detailed portfolio listing is set out from page 32 to 34.

13. TRANSACTIONS WITH THE TRUSTEE AND MANAGER AND THEIR CONNECTED PERSONS

Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the year between the Sub-Fund and the Manager were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any transactions with its connected persons except for what is disclosed in Note 4 to the financial statements and below.

Bank deposits and investments held by the Trustee's affiliates

Bank deposits and investments were held by the Trustee's affiliates, Bank of China (Hong Kong) Limited, with bank deposits, investment and interest income amounted to RMB13,267,390 (2015: RMB44,778,619), RMB277,903,622 (2015: RMB453,884,860) and RMB40,913 (2015: RMB56,452) respectively. Further details of the balances held are described in note 9 to the financial statements.

PING AN OF CHINA SIF – RMB BOND FUND  
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

14. SOFT COMMISSION ARRANGEMENTS

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

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

Since the inception of the Sub-Fund, the Manager (and its Connected Persons) had not received any soft dollar commission or participated in any soft dollar arrangements in respect of the management of the Sub-Fund. The Manager (and its Connected Persons) has not retained any cash rebates from any broker or dealer.

15. INVESTMENT LIMITATION AND PROHIBITION UNDER SFC CODE

For details relating to Investment Limitation and Prohibition under SFC Code applicable to the Sub-Fund, please refer to the fund offering document: section "Investment and Borrowing Restrictions" and "Appendix I – Investment Objective and Policy."

16. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Trustee and the Manager on 24 October 2016.

PING AN OF CHINA SIF – RMB BOND FUND  
(a sub-fund of Ping An of China Select Investment Fund Series)

INVESTMENT PORTFOLIO

30 June 2016

	Nominal value	Fair value	Accrued interest /Dividend	% of net assets
<b><u>Financial assets at fair value through profit or loss</u></b>				
<b>Listed investments</b>				
<b>Denominated in RMB</b>				
<i>Cayman Islands</i>				
21Vianet Group Inc 6.875% S/A 26Jun2017	21,000,000	21,187,950	15,822	7.29%
361 Degrees Intl Ltd 7.5% S/A 12Sep2017	16,000,000	16,466,080	364,932	5.66%
Agile Property Hldgs Ltd 6.5% S/A 28Feb2017	21,000,000	21,141,120	459,986	7.27%
Lai Fung Hldgs Ltd 6.875% S/A 25Apr2018	13,000,000	12,830,350	164,058	4.41%
Modern Land China Co Ltd 11% S/A 22Jan2017	20,000,000	20,410,800	970,411	7.02%
New World China Land Ltd 5.5% S/A 06Feb2018	25,000,000	25,435,750	516,096	8.77%
Powerlong Real estate Hldgs Ltd 10.75% S/A 18Sep2017	2,000,000	2,062,480	61,849	0.71%
Times Property Hldgs Ltd 10.375% S/A 16Jul2017	24,000,000	<u>24,676,560</u>	<u>1,139,259</u>	<u>8.49%</u>
		<u>144,211,090</u>	<u>3,692,413</u>	<u>49.62%</u>
<i>China</i>				
Industrial & Commercial Bank of China Ltd 6% A Perp REGS (Preference Shares)	7,000,000	<u>7,090,720</u>	<u>234,740</u>	<u>2.44%</u>
<i>Hong Kong</i>				
ICBC Asia Ltd 6% S/A 04Nov2021	11,000,000	11,101,750	104,877	3.82%
SK Global Chemical Investment Hong Kong Ltd 4.125% S/A 26Sep2016	5,000,000	5,004,650	53,116	1.72%
Universal Number One Co 5.7% 30Jan2017	15,000,000	<u>15,031,500</u>	<u>147,575</u>	<u>5.17%</u>
		<u>31,137,900</u>	<u>305,568</u>	<u>10.71%</u>
<i>Hungary</i>				
Hungary Government Intl Bond 6.25% S/A 25Apr2019	4,000,000	<u>4,121,560</u>	<u>45,890</u>	<u>1.42%</u>
<i>Singapore</i>				
Intl Offshore Two Pte Ltd 7.5% S/A 01Apr2018	20,000,000	19,374,200	373,973	6.67%
Intl Intl Pte Ltd 8% S/A 17Jul2017	8,000,000	<u>7,890,160</u>	<u>289,315</u>	<u>2.71%</u>
		<u>27,264,360</u>	<u>663,288</u>	<u>9.38%</u>

PING AN OF CHINA SIF – RMB BOND FUND  
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INVESTMENT PORTFOLIO (continued)

30 June 2016

	Nominal value	Fair value	Accrued interest /Dividend	% of net assets
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>				
<b>Listed investments (continued)</b>				
<b>Denominated in RMB</b>				
<i>Virgin Island, Britain</i>				
Central Plaza Development Ltd 5.75% S/A 17Feb2017	7,000,000	7,034,020	148,870	2.42%
Haikou Meilan Intl Airport Investment Ltd 7.25% S/A 18Jun2018	20,000,000	20,033,200	43,699	6.89%
Lai Sun Garment Intl Finance 2014 Ltd 7.7% S/A 24Jul2018	13,000,000	13,091,260	433,310	4.50%
RKI Finance 2013 Ltd 6% S/A 3Dec2016	3,850,000	3,865,862	17,721	1.33%
Rosy Capital Global Ltd 5.25% S/A 30Jul2018	15,000,000	15,021,450	332,260	5.17%
Unican Ltd 5.15% S/A 02Jul2018	5,000,000	5,032,200	126,281	1.73%
		<u>64,077,992</u>	<u>1,102,141</u>	<u>22.04%</u>
Total of listed financial assets at fair value through profit or loss		<u>277,903,622</u>	<u>6,044,040</u>	<u>95.61%</u>

PING AN OF CHINA SIF – RMB BOND FUND  
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INVESTMENT PORTFOLIO (continued)

30 June 2016

	Nominal value	Fair value	Accrued interest	% of net assets
<b><u>TOTAL NET ASSETS</u></b>				
Total investment portfolio (Cost: RMB273,151,933)		277,903,622		95.61%
Other net assets		<u>12,774,606</u>		<u>4.39%</u>
Total net assets		<u>290,678,228</u>		<u>100%</u>

Note: Investments are accounted for on a trade-date basis.

PING AN OF CHINA SIF – RMB BOND FUND  
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MOVEMENTS IN INVESTMENT PORTFOLIO

For the year ended 30 June 2016

	Holding as at 1 July 2015	<u>Movements in nominal value</u>		
		Additions	Disposals	At 30 June 2016
<b><u>Financial assets at fair value through profit or loss</u></b>				
<b>Listed investments</b>				
<b>Denominated in RMB</b>				
21Vianet Group Inc 6.875% S/A 26Jun2017	15,000,000	6,000,000	-	21,000,000
361 Degrees Intl Ltd 7.5% S/A 12Sep2017	16,000,000	-	-	16,000,000
Agile Property Hldgs Ltd 6.5% S/A 28Feb2017	-	21,000,000	-	21,000,000
Central Plaza Development Ltd 5.75% S/A 17Feb2017	-	7,000,000	-	7,000,000
Central Plaza Development Ltd 7.6% S/A 29Nov2015 REGS	10,000,000	7,000,000	( 17,000,000)	-
China New Town Finance I Ltd 5.5% S/A 06May2018	4,000,000	-	( 4,000,000)	-
Commonwealth Bank of Australia 5.15% S/A 11Mar2025	10,000,000	-	( 10,000,000)	-
Fantasia Hldgs Group co Ltd 7.875% S/A 27May2016	-	14,900,000	( 14,900,000)	-
Fuqing Investment Management Ltd 4.85% S/A 21Jul2018	-	20,000,000	( 20,000,000)	-
Future Land Development Hldgs Ltd 9.75% S/A 23Apr2016	35,000,000	-	( 35,000,000)	-
Gemdale Intl Hldg 9.15% S/A 26Jul2015	5,000,000	-	( 5,000,000)	-
Golden Wheel Tiandi Hldgs Co Ltd 11.25% S/A 25Apr2016	23,000,000	-	( 23,000,000)	-
Greentown China Hldgs Ltd 5.625% S/A 13May2016	16,000,000	-	( 16,000,000)	-
Guosen Securities Overseas Co Ltd 6.4% S/A 24Apr2017	21,000,000	-	( 21,000,000)	-
Haikou Meilan Intl Airport Investment Ltd 7.25% S/A 18Jun2018	20,000,000	-	-	20,000,000
Hungary government Intl Bond 6.25% S/A 25Apr2019	-	4,000,000	-	4,000,000
ICBC Asia Ltd 6% S/A 04Nov2021	20,000,000	-	( 9,000,000)	11,000,000
Industrial & Commercial Bank of China Ltd 6% A Perp REGS (Preference Shares)	30,000,000	-	( 23,000,000)	7,000,000
Intesa Sanpaolo Bank Ireland PLC 5.25% S/A 27Mar2018	10,000,000	-	( 10,000,000)	-
Intl Offshore Two Pte Ltd 7.5% S/A 1Apr2018	20,000,000	-	-	20,000,000
Itnl Intl Pte Ltd 8% S/A 17Jul2017	8,000,000	-	-	8,000,000
Lai Fung Garment Intl Finance 2014 Ltd 6.875% S/A 25Apr2018	-	13,000,000	-	13,000,000
Lai Sun Garment Intl Finance 2014 Ltd 7.7% S/A 24Jul2018	13,000,000	-	-	13,000,000
Lenovo Group Ltd 4.95% S/A 10Jun2020	10,000,000	5,000,000	( 15,000,000)	-
Modern Land China Co Ltd 11% S/A 22Jan2017	20,000,000	-	-	20,000,000

PING AN OF CHINA SIF – RMB BOND FUND  
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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the year ended 30 June 2016

	Holding as at 1 July 2015	<u>Movements in nominal value</u>		At 30 June 2016
		Additions	Disposals	
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>				
<b>Listed investments (continued)</b>				
<b>Denominated in RMB</b>				
New World China Land Ltd 5.5% S/A 06Feb2018	22,000,000	6,000,000	( 3,000,000)	25,000,000
Ocean Wealth Ltd 5.25% S/A 7Jul2017	15,000,000	-	( 15,000,000)	-
Orient Hongsheng Ltd 6.5% S/A 26Nov2017	10,000,000	-	( 10,000,000)	-
Powerlong Real Estate Hldgs Ltd 10.75% S/A 18Sep2017	-	2,000,000	-	2,000,000
RKI Finance 2013 Ltd 6% S/A 03Dec2016	-	3,850,000	-	3,850,000
Rosy Capital Global Ltd 5.25% S/A 30Jul2018	-	20,000,000	( 5,000,000)	15,000,000
SK Global Chemical Investment Hong Kong 4.125% S/A 26SEP2016	-	5,000,000	-	5,000,000
Societe Generale SA 5.2% S/A 03Jun2025	15,000,000	-	( 15,000,000)	-
Times Property Hldgs Ltd 10.375% S/A 16Jul2017	16,500,000	7,500,000	-	24,000,000
Tingyi (Cayman Island) Hldgs Corp 4.375% A 6Aug2018	-	20,000,000	( 20,000,000)	-
Tmb Bank Pcl/Cayman Islands 5.5% S/A 09Mar2018	15,000,000	-	( 15,000,000)	-
Unican Ltd 5.15% S/A 02Jul2018	10,000,000	-	( 5,000,000)	5,000,000
Unican Ltd 5.8% S/A 30May2017	25,000,000	-	( 25,000,000)	-
Universal Number One Co 5.7% Q 30Jan2017	15,000,000	-	-	15,000,000

PING AN OF CHINA SIF – RMB BOND FUND  
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PERFORMANCE RECORD

Net asset value attributable to unitholders  
(Calculated in accordance with the Sub-Fund's Trust Deed)

	Net asset value per unit	Total net asset value RMB
As at 30 June 2016		
Class A (RMB)	102.18	282,859,980
Class A (HKD)	93.31	156,707
Class A (USD)	9.24	7,661,541
As at 30 June 2015		
Class A (RMB)	99.51	474,563,556
Class A (HKD)	97.53	544,648
Class A (USD)	9.67	11,706,505

Highest issue price and lowest redemption price per unit

	Highest issue price per unit	Lowest redemption price per unit
For the year ended 30 June 2016		
Class A (RMB)	103.15	97.13
Class A (HKD)	97.65	89.47
Class A (USD)	9.68	8.85
For the year ended 30 June 2015		
Class A (RMB)	101.26	96.12
Class A (HKD)	100.41	93.94
Class A (USD)	9.95	9.31