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**Ping An of China CSI RAFI A-Share 50 ETF\***  
(\*This is a synthetic ETF)

**a sub-fund of the Ping An of China Trust**  
(a Hong Kong unit trust authorized under  
section 104 of the Securities and Futures Ordinance  
(Cap. 571 of the laws of the Hong Kong SAR))  
**(Stock Code: 2818)**

**Announcement – revised selection criteria for Base Securities Issuers**

The Manager of the Ping An of China CSI RAFI A-Share 50 ETF\* (\*This is a synthetic ETF) (the “**Sub-Fund**”), Ping An of China Asset Management (Hong Kong) Company Limited (the “**Manager**”), hereby announces that the selection criteria adopted by the Manager in relation to a Base Securities Issuer, in particular, the change to the credit rating requirement, will be revised, and the relevant disclosures in the Prospectus of the Sub-Fund will be updated, with effect from 22 May 2012 (the “**Effective Date**”). With effect from the Effective Date, a summary of the collateral holdings in respect of the Sub-Fund will be published on the Manager’s website on a weekly basis, instead of monthly, within three Business Days from the end of the relevant week.

The Manager hereby announces that, with effect from the Effective Date, the selection criteria adopted by the Manager in relation to a Base Securities Issuer of the Sub-Fund will be revised, taking into account the collateral policy which the Manager has implemented since October 2011 and other factors such as the prevailing market conditions and the credit ratings of other entities with comparable financial standing.

Accordingly, effective from the Effective Date:

- (a) the credit rating of a Base Securities Issuer as originally set out in the Prospectus, that is, a Base Security Issuer must have a credit rating in respect of senior debt of at least A- by Standard & Poor's or equivalent rating given by Moody's or by Fitch, shall cease to apply; and
- (b) the Manager may determine the minimum credit rating that a Base Securities Issuer shall have, taking into account factors such as the prevailing market conditions, the credit ratings of other entities with comparable financial standing and the credit ratings of the holding company (if any) of the relevant Base Securities Issue, *provided that*, as a general requirement, a Base Securities Issuer must have a minimum credit rating of investment grade.

The other selection criteria for a Base Securities Issuer as set out in the Prospectus shall remain unchanged.

The original selection criteria for a Base Securities Issuer were set by the Manager before the implementation of the collateral policy in October 2011. The Manager is of the opinion that the counterparty risk that the investors may be exposed to in respect of the Base Securities Issuers should already be mitigated by the additional collateral that the Sub-Fund has obtained since October 2011 as a result of the implementation of the collateral policy. With the amendments to the selection criteria in respect of a Base Securities Issuer as described above, the Manager considers that such amendments will offer better flexibility for the Manager to determine the required minimum credit ratings of a Base Securities Issue, in order to adapt to the changing market conditions. The Manager therefore takes the view that the amendments to the selection criteria in respect of a Base Securities Issuer as described above should not materially prejudice Unitholders' rights or interests.

The Manager has also updated its risk management process. The Manager will continue to monitor and manage the risk of the Sub-Fund including counterparty risk with a view to protecting the interests of the Sub-Fund and its investors, increasing transparency of the Sub-Fund and enhancing disclosure relating to the Sub-Fund's collateral holdings. With effect from the Effective Date, a summary of the collateral holdings in respect of the Sub-Fund will be published on the Manager's website on a weekly basis, instead of monthly, within three Business Days from the end of the relevant week.

The Manager will manage and monitor the Sub-Fund in a dynamic manner and review the market situations from time to time. The Manager may, if necessary, implement additional measures as it deems appropriate, taking into account global environment, in order to enhance investors' protection.

An Addendum to the Prospectus of the Sub-Fund (the "**Addendum**") has been issued to reflect the selection criteria in respect of a Base Securities Issuer as described above. The Addendum is available for viewing on the website of the Hong Kong Exchanges and Clearing Limited at [www.hkex.com.hk](http://www.hkex.com.hk) and on the "Products" page of the website of the Manager at <http://asset.pingan.com.hk/eng/2818>. An updated Product Key Facts of the Sub-Fund will be available on 22 May 2012 at the Manager's website.

Investors who have any queries regarding the above may contact the Ping An of China CSI RAFI A-Share 50 ETF\* Hotline at (+852) 3762 9228 or visit us at <http://asset.pingan.com.hk>.

**Ping An of China Asset Management (Hong Kong) Company Limited**

**8 May 2012**

*Terms not defined in this announcement shall have the meanings as are given to them in the Prospectus.*

## IMPORTANT:

*This Addendum is supplemental to and forms part of the Prospectus of the Ping An of China CSI RAFI A-Share 50 ETF\* (\*This is a synthetic ETF) dated 31 October 2011 (the "Prospectus"). Unless otherwise defined herein, words and expressions defined in the Prospectus shall have the same meaning when used in this Addendum.*

*If you are in doubt about the contents of the Prospectus and this Addendum, you should consult your stockbroker, bank manager, solicitor or accountant or other financial adviser.*

*Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission take no responsibility for the contents of this Addendum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Addendum.*

## **Ping An of China CSI RAFI A-Share 50 ETF\***

(\*This is a synthetic ETF)

### **a sub-fund of the Ping An of China Trust**

(a Hong Kong unit trust authorized under  
section 104 of the Securities and Futures Ordinance  
(Cap. 571 of the laws of the Hong Kong SAR))

**(Stock Code: 2818)**

### **Addendum to the Prospectus**

The Prospectus is supplemented as follows with effect from 22 May 2012:

1. Under the sub-section entitled "**Investment Restrictions**" under the section entitled "**INVESTMENT AND BORROWING RESTRICTIONS**" of the Prospectus, the third paragraph of item (5) on page 40 are amended and restated as follows:

"The Manager shall only request the Trustee to arrange for any Securities for the time being comprised in an Index Fund to be loaned by the Trust if the Manager has taken all reasonable steps to ensure that the relevant counterparties are banks or other financial institutions of sound financial standing with a credit rating acceptable to the Manager (taking into account factors such as the prevailing market conditions, the credit ratings of other entities with comparable financial standing and the credit rating of the holding company (if any) of the relevant counterparties or counterparty) and that the adequate collateral (including, but not limited to, treasury bills, bankers' acceptances, certificates of deposits, bonds, equities, letters of credit and cash collateral, will not include any financial derivative and/or structured products) will have been provided to the Trust by the borrower. As a general requirement, the Manager expects that each relevant counterparty should have a minimum credit rating of investment grade. As part of its risk management process, the Manager will closely monitor the risks of the Index Fund (including the counterparty risks in relation to the relevant counterparty, its guarantor (if any) and the collateral provider) in the interest of protecting the Index Fund and its investors."

2. Under the sub-section entitled "**Publication of Information Relating to the Index Funds**" under the section entitled "**OTHER IMPORTANT INFORMATION**" of the Prospectus, the second last bullet point of the second paragraph on page 62 is amended and restated as follows:

"• the collateral policy and the composition of the collateral, to be updated on a weekly basis; and"

3. Under the sub-section entitled “**Base Securities Issuer**” under the section entitled “**Roles of the Participating Dealer, QFII and Base Securities Issuer**” of the Prospectus, the second paragraph on page 93 are amended and restated as follows:

“A Base Securities Issuer must meet all of the following criteria: (i) it must be a QFII or belong to a QFII group; (ii) it (or its guarantor) must be a financial institution with a minimum paid up capital of the equivalent of HK\$150 million; (iii) it (or its guarantor) is a bank or a member company of a group (including a bank) prudentially supervised in a jurisdiction acceptable to the Trustee and the Manager; and (iv) it must have a credit rating acceptable to the Manager (taking into account factors such as the prevailing market conditions, the credit ratings of other entities with comparable financial standing and the credit rating of the holding company (if any) of the relevant counterparties or counterparty). As a general requirement, the Manager expects that each relevant counterparty should have a minimum credit rating of investment grade. As part of its risk management process, the Manager will closely monitor the risks of the Index Fund (including the counterparty risks in relation to the relevant counterparty, its guarantor (if any) and the collateral provider) in the interest of protecting the Index Fund and its investors. In the event of any substantial downgrading of credit rating or other material adverse change concerning a Base Securities Issuer, the Manager will take such measures and actions as reasonably and practicable available to it, including seeking additional collateral and/or additional Base Securities Issuers and/or sell the Base Securities back to the relevant Base Securities Issuer.”

4. Under the section entitled “**Collateral**” in the Product Key Facts, its third paragraph is amended and restated as follows:

“Please refer to the website of the **A-Share 50 ETF** for the collateral policy adopted by the Manager and the composition of the collateral which will be updated on a weekly basis.”

5. Under the section entitled “**Base Securities Issuers**” in the Product Key Facts, its first paragraph is amended and restated as follows:

“A Base Securities Issuer must meet all of the following criteria: (i) it must be a qualified foreign institutional investor (“QFII”) or belong to a QFII group; (ii) it (or its guarantor) must be a financial institution with a minimum paid up capital of the equivalent of HK\$150 million; (iii) it (or its guarantor) is a bank or a member company of a group (including a bank) prudentially supervised in a jurisdiction acceptable to the Trustee and the Manager; and (iv) it must have a credit rating acceptable to the Manager (taking into account factors such as the prevailing market conditions, the credit ratings of other entities with comparable financial standing and the credit rating of the holding company (if any) of the relevant counterparties or counterparty). As a general requirement, the Manager expects that each relevant counterparty should have a minimum credit rating of investment grade. As part of its risk management process, the Manager will closely monitor the risks of the Index Fund (including the counterparty risks in relation to the relevant counterparty, its guarantor (if any) and the collateral provider) in the interest of protecting the Index Fund and its investors. In the event of any substantial downgrading of credit rating or other material adverse change concerning a Base Securities Issuer, the Manager will take such measures and actions as reasonably and practicable available to it, including seeking additional collateral and/or additional Base Securities Issuers and/or sell the Base Securities back to the relevant Base Securities Issuer.”

The Prospectus may only be distributed if accompanied by this Addendum. An updated Product Key Facts of the A-Share 50 ETF will be available on 22 May 2012 at the Manager’s website (<http://asset.pingan.com.hk/eng/2818>).