

Ping An of China CSI HK Mid Cap Select ETF (Stock Code: 3072)

Ping An of China CSI RAFI HK50 ETF (Stock Code: 3098)

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

Termination Report

For the period from 1 January 2016 to 30 December 2016

(date of termination)

Manager



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



TERMINATION REPORT

**Ping An of China CSI HK Mid Cap Select ETF
Ping An of China CSI RAFI HK50 ETF**

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

**For the period from 1 January 2016 to 30 December 2016
(date of termination)**

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

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IMPORTANT :

This report is available in English only.

Any opinion expressed herein reflects the Manager's view only and are subject to change. For more information about Sub-Funds, please refer to the prospectus of Sub-Funds which is available at our website:<http://asset.pingan.com.hk>

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

RESTRICTED

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

MANAGEMENT AND ADMINISTRATION

Manager

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

Directors of the Manager

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

Trustee, Custodian and Registrar

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

Service/Conversion Agent

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

Legal Adviser to the Manager

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

Auditor

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

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

MANAGEMENT AND ADMINISTRATION (continued)

Participating Dealers

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

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

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

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

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

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

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

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

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

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

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Ping An of China CSI HK Mid Cap Select ETF

(a Sub-Fund of Ping An of China Trust)
(Stock Code: 3072)

Introduction

The Manager of Ping An of China CSI HK Mid Cap Select ETF (the “HK Mid Cap Select ETF”) had made an application to the Stock Exchange of Hong Kong Limited (the “SEHK”) for the cessation of trading of the Units of the HK Mid Cap Select ETF on the SEHK on 31 October 2016 (the “Trading Cessation Date”). The application was approved by the SEHK and the HK Mid Cap Select ETF had ceased trading as from the Trading Cessation Date.

The Manager had applied to the Listing Committee of the SEHK for its approval for the delisting to be completed following the Termination Date. The SEHK had confirmed that the withdrawal of the listing of the Units of the Fund from the SEHK was effective at 9:00 a.m. on 30 December 2016, which was the date on which the SFC and SEHK approved the deauthorization and delisting respectively.

All listed shares of the HK Mid Cap Select ETF were liquidated on the Trading Cessation Date. Accordingly, from the Trading Cessation Date onwards:

- (a) the HK Mid Cap Select ETF only held cash;
- (b) the HK Mid Cap Select ETF ceased to track the Underlying Index, and was not able to meet its investment objective of tracking the performance of the Underlying Index; and
- (c) the Units of the HK Mid Cap Select ETF were no longer be traded on the SEHK.

Please refer to the announcements published on the Manager’s website and the SEHK website for details.

Performance of the HK Mid Cap Select ETF

The HK Mid Cap Select ETF aims to generate an investment return before fees that closely correspond to the performance of its underlying index denominated in Hong Kong dollar (“HK\$”) by primarily adopting a replication strategy. As at 31 October 2016 (the “Trading Cessation Date”), the NAV per unit of the HK Mid Cap Select ETF was HK\$19.2320 and the total outstanding units were 1,500,000. The total size of the HK Mid Cap Select ETF was approximately HK\$28.85million.

PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF

(SUB-FUNDS OF PING AN OF CHINA TRUST)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

Ping An of China CSI HK Mid Cap Select ETF

(a Sub-Fund of Ping An of China Trust)
(Stock Code: 3072)

Performance of the HK Mid Cap Select ETF (continued)

A summary of the performance of the HK Mid Cap Select ETF is given below:

Performance (As at 31 October, 2016)	1-Month##	3-Month##	6-Month##	2016##	2015	Since Inception###
CSI HK Mid Cap Select Index#	0.25%	6.54%	5.35%	-1.69%	-10.49%	2.93%
NAV of the HK Mid Cap Select ETF	-0.8%	5.21%	4.85%	-3.18%	-14.58%	-5.08%

Notes:

Fund performance is calculated without dividend reinvested.

#Index performance is price return.

Performance is calculated up to 31 October 2016, the Trading Cessation Date and includes provisions deducted for Future Costs relating to termination and delisting.

Inception date is 10 Feb 2012, with an initial issue price of HK\$20.2608 per unit.

Final Distribution Date

Payment date	Distribution per unit
9 Dec 2016	HKD 19.2336

Activities of the Underlying Index

Review of the HK Mid Cap Index was conducted on 2nd Friday of June and December each year. As at the Last Trading Day, the HK Mid Cap Select ETF comprised of 100 constituent stocks in the index.

Notes:

1. Past performance figures shown are not indicative of the future performance of the HK Mid Cap Select ETF.

2. An investor cannot invest directly in the underlying index and the index returns do not reflect management fees, transaction costs or other expenses, which will reduce performance returns.

3. Units in the HK Mid Cap Select ETF are issued and redeemed at NAV and its returns are calculated from NAV. The HK Mid Cap Select ETF does not publish a bid price.

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

Ping An of China CSI RAFI HK50 ETF

(a Sub-Fund of Ping An of China Trust)
(Stock Code: 3098)

Introduction

The Manager of Ping An of China CSI RAFI HK50 ETF (the “HK50 ETF”) had made an application to the Stock Exchange of Hong Kong Limited (the “SEHK”) for the cessation of trading of the Units of the HK50 ETF on the SEHK on 31 October 2016 (the “Trading Cessation Date”). The application was approved by the SEHK and the HK50 ETF had ceased trading as from the Trading Cessation Date.

The Manager had applied to the Listing Committee of the SEHK for its approval for the delisting to be completed following the Termination Date. The SEHK had confirmed that the withdrawal of the listing of the Units of the HK50ETF from the SEHK was effective from 9:00 a.m. on 30 December 2016, which was the date on which the SFC and SEHK approved the deauthorization and delisting respectively.

All listed shares of the HK50ETF were liquidated on the Trading Cessation Date. Accordingly, from the Trading Cessation Date onwards:

- (a) the HK50ETF only held cash;
- (b) the HK50ETF ceased to track the Underlying Index, and was not able to meet its investment objective of tracking the performance of the Underlying Index; and
- (c) the Units of the HK50ETF were no longer be traded on the SEHK.

Please refer to the announcements published on the Manager’s website and the SEHK website for details.

Performance of the HK50 ETF

The HK50 ETF aims to generate an investment return before fees that closely correspond to the performance of its underlying index denominated in Hong Kong dollar (“HK\$”) by primarily adopting a replication strategy. As at 31 October 2016 (the “Trading Cessation Date”), the NAV per unit of the HK50 ETF was HK\$18.0571 and the total outstanding units were 1,500,000. The total size of the HK50 ETF was approximately HK\$27.09million.

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

Ping An of China CSI RAFI HK50 ETF

(a Sub-Fund of Ping An of China Trust)
(Stock Code: 3098)

Performance of the HK50 ETF (continued)

A summary of the performance of the HK50 ETF is given below:

Performance (As at 31 October, 2016)	1-Month##	3-Month##	6-Month##	2016##	2015	Since Inception###
CSI RAFI HK50 Index#	-0.66%	5.71%	9.27%	5.01%	-8.56%	6.66%
NAV of the RAFI HK50 ETF	-1.77%	4.43%	9.43%	4.21%	-8.47%	6.64%

Notes:

Fund performance is calculated without dividend reinvested.

#Index performance is price return.

Performance is calculated up to 31 October 2016, the Trading Cessation Date and includes provisions deducted for Future Costs relating to termination and delisting.

###Inception date is 10 Feb 2012, with an initial issue price of HK\$16.9327 per unit.

Dividend Distribution History of the HK50 ETF

Ex-date	Dividend per unit
14 Dec 2012	HKD 0.32
13 Dec 2013	HKD 0.28
12 Dec 2014	HKD 0.34

Final Distribution Date

Payment date	Distribution per unit
9 Dec 2016	HKD 18.0586

Activities of the Underlying Index

Review of the HK50 Index was conducted on the 2nd Friday of June each year. As at the Last Trading Day, the HK50 Index comprised of 50 constituent stocks in the index.

Notes:

1. Past performance figures shown are not indicative of the future performance of the HK50 ETF.
2. An investor cannot invest directly in the underlying index and the index returns do not reflect management fees, transaction costs or other expenses, which will reduce performance returns.
3. Units in the HK50 ETF are issued and redeemed at NAV and its returns are calculated from NAV. The HK50 ETF does not publish a bid price.

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of the Ping An of China CSI HK Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF (Sub-Funds of Ping An of China Trust) has, in all material respects, managed the Sub-Funds in accordance with the provisions of the trust deed dated 19 April 2010, as amended by supplemental deed dated 28 April 2010, 4 October 2011 and 1 February 2012 (together the "Trust Deed"), for the period from 1 January 2016 to 30 December 2016 (date of termination).

HSBC Institutional Trust Services (Asia) Limited
26 April 2017

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

Manager's Responsibilities

The Manager of the Ping An of China CSI HK Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF (Sub-Funds of Ping An of China Trust) is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code") and the Trust Deed dated 19 April 2010, as amended by supplemental deed dated 28 April 2010, 4 October 2011 and 1 February 2012 (together the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Funds at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager of the Sub-Funds is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on liquidation basis as the Sub-Funds have terminated their operations on 30 December 2016.

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

Ping An of China Trust (the "Trust") is an umbrella unit trust governed by its Trust Deed.

On the 30 September 2016, the Manager of the Sub-Funds, by means of a resolution of the Board of Directors, decided to terminate the Ping An of China CSI HK Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF. As at 30 December 2016 (date of termination), Ping An of China CSI HK Dividend ETF, the Sub-Fund of the Trust, is trading in the SEHK.

Trustee's Responsibilities

The Trustee of the Sub-Funds is required to:

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

Independent Auditor's Report

To the unitholders of Ping An of China CSI HK Mid Cap Select ETF, and Ping An of China CSI RAFI HK50 ETF (Sub-Funds of Ping An of China Trust)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ping An of China CSI HK Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF (each is a separate Sub-Fund of Ping An of China Trust (the "Trust") and referred to individually or collectively as the "Sub-Funds") set out on pages 12 to 53, which comprise the statements of financial position as at 30 December 2016 (date of termination), the statements of profit or loss and other comprehensive income, the statements of changes in net assets attributable to unitholders, the statements of distribution and the statements of cash flows for the period from 1 January 2016 to 30 December 2016 (date of termination), and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Funds as at 30 December 2016, and of its financial performance and its cash flows for the period from 1 January 2016 to 30 December 2016 (date of termination) in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

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

Emphasis of matter

We draw attention to note 2.1 to the financial statements which describes that the financial statements for the period from 1 January 2016 to 30 December 2016 (date of termination) have not been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Other information included in the Termination Report

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

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

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

Independent Auditor's Report (continued)

To the unitholders of Ping An of China CSI HK Mid Cap Select ETF, and Ping An of China CSI RAFI HK50 ETF (Sub-Funds of Ping An of China Trust)

Responsibilities of the Trustee and the Manager of the Sub-Funds for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee and the Manager of the Sub-Funds.
- Conclude on the appropriateness of the Trustee and the Manager use of the going concern basis of accounting. When such use is inappropriate and the Trustee and the Manager use an alternative basis of accounting, we conclude on the appropriateness of Trustee's and Manager's use of the alternative basis of accounting. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

Independent Auditor's Report (continued)

To the unitholders of Ping An of China CSI HK Mid Cap Select ETF, and Ping An of China CSI RAFI HK50 ETF (Sub-Funds of Ping An of China Trust)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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.

Certified Public Accountants
Hong Kong
26 April 2017

PING AN OF CHINA CSI HK MID CAP SELECT ETF
(A SUB-FUND OF PING AN OF CHINA TRUST)
STATEMENT OF FINANCIAL POSITION

As at 30 December 2016 (date of termination)

	Notes	As at 30 December 2016 (date of termination) HK\$	As at 31 December 2015 HK\$
ASSETS			
Financial assets at fair value through profit or loss	10	-	29,720,924
Dividend receivable		-	4,530
Cash and cash equivalents	11	-	554,930
		-----	-----
TOTAL ASSETS		-	30,280,384
		=====	=====
LIABILITIES			
Management fee payable	5	-	13,942
Trustee fee payable	5	-	70,000
Accounts payable and accrued liabilities	5	-	399,897
		-----	-----
TOTAL LIABILITIES		-	483,839
		-----	-----
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	12	-	29,796,545
		=====	=====
NUMBER OF UNITS IN ISSUE	12	-	1,500,000
		=====	=====
NET ASSET VALUE PER UNIT		-	19.86
		=====	=====

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

PING AN OF CHINA CSI RAFI HK50 ETF
(A SUB-FUND OF PING AN OF CHINA TRUST)
STATEMENT OF FINANCIAL POSITION

As at 30 December 2016 (date of termination)

	Notes	As at 30 December 2016 (date of termination) HK\$	As at 31 December 2015 HK\$
ASSETS			
Financial assets at fair value through profit or loss	10	-	43,246,190
Cash and cash equivalents	11	-	675,146
TOTAL ASSETS		-	43,921,336
LIABILITIES			
Management fee payable	5	-	20,199
Trustee fee payable	5	-	70,000
Accounts payable and accrued liabilities	5	-	514,134
TOTAL LIABILITIES		-	604,333
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	12	-	43,317,003
NUMBER OF UNITS IN ISSUE	12	-	2,500,000
NET ASSET VALUE PER UNIT		-	17.33

The accompanying notes are an integral part of these financial statements

PING AN OF CHINA CSI HK MID CAP SELECT ETF

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2016 to 30 December 2016 (date of termination)

	Notes	Period from 1 January 2016 to 30 December 2016 (date of termination) HK\$	Year ended 31 December 2015 HK\$
INCOME			
Dividend income		834,040	959,304
Interest income	5	244	-
		<u>834,284</u>	<u>959,304</u>
EXPENSES			
Management fee	5	(125,109)	(222,146)
Trustee fee	5	(572,578)	(840,000)
Transaction fee	5	(130,775)	(92,431)
Accounting and professional fee	5	(183,559)	(170,005)
Audit fee		(169,298)	(152,670)
Safe custody and bank charges	5	(11,950)	(40,322)
Interest expenses		-	(390)
Legal fee		(125,083)	(177,783)
Index licensing fee		(59,193)	(149,095)
Other operating expenses		(2,433)	(1,887)
		<u>(1,379,978)</u>	<u>(1,846,729)</u>
LOSS BEFORE INVESTMENT GAINS/ (LOSSES) AND EXCHANGE GAINS		(545,694)	(887,425)
INVESTMENT GAINS/ (LOSSES) AND EXCHANGE GAINS			
Net realised (losses)/gains on financial assets at fair value through profit or loss		(3,580,962)	2,034,540
Net unrealised fair value change on financial assets at fair value through profit or loss		3,218,555	(8,872,686)
Net exchange gains		253	889
		<u>(362,154)</u>	<u>(6,837,257)</u>
LOSS BEFORE TAXATION		(907,848)	(7,724,682)
TAXATION	8	(38,297)	(40,618)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		<u>(946,145)</u>	<u>(7,765,300)</u>

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

PING AN OF CHINA CSI RAFI HK50 ETF

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2016 to 30 December 2016 (date of termination)

	Notes	Period from 1 January 2016 to 30 December 2016 (date of termination) HK\$	Year ended 31 December 2015 HK\$
INCOME			
Dividend income		1,388,117	2,262,583
Interest income	5	227	-
		<u>1,388,344</u>	<u>2,262,583</u>
EXPENSES			
Management fee	5	(147,691)	(314,528)
Trustee fee	5	(572,578)	(840,000)
Transaction fee	5	(126,095)	(83,214)
Accounting and professional fee	5	(183,559)	(185,005)
Audit fee		(161,543)	(144,870)
Safe custody and bank charges	5	(16,084)	(51,292)
Legal fee		(125,065)	(177,783)
Index licensing fee		(188,163)	(248,493)
Other operating expenses		(1,018)	(1,662)
		<u>(1,521,796)</u>	<u>(2,046,847)</u>
(LOSS)/PROFIT BEFORE INVESTMENT GAINS/ (LOSSES) AND EXCHANGE GAINS		(133,452)	215,736
INVESTMENT GAINS/(LOSSES) AND EXCHANGE GAINS			
Net realised (losses)/gains on financial assets at fair value through profit or loss		(3,382,250)	2,629,755
Net unrealised fair value change on financial assets at fair value through profit or loss		3,789,051	(7,288,239)
Net exchange gains		662	652
		<u>407,463</u>	<u>(4,657,832)</u>
PROFIT/(LOSS) BEFORE TAXATION		<u>274,011</u>	<u>(4,442,096)</u>
TAXATION	8	(80,314)	(121,017)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		<u>193,697</u>	<u>(4,563,113)</u>

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

PING AN OF CHINA CSI HK MID CAP SELECT ETF

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Period from 1 January 2016 to 30 December 2016 (date of termination)

	Notes	Period from 1 January 2016 to 30 December 2016 (date of termination) HK\$	Year ended 31 December 2015 HK\$
BALANCE BROUGHT FORWARD		29,796,545	46,512,295
Proceeds on issue of units			
- In-kind		-	27,094,649
- Cash component and cash subscription		-	258,101
Payment on redemption of units			
- In-kind	6	-	(36,153,857)
- Cash component and cash redemption		-	(149,343)
Net decrease from unit transactions		-	(8,950,450)
Total comprehensive income for the period/year		(946,145)	(7,765,300)
Distributions to unitholders	9	(28,850,400)	-
Net assets attributable to unitholders at the period/year end		-	29,796,545

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

PING AN OF CHINA CSI RAFI HK50 ETF

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Period from 1 January 2016 to 30 December 2016 (date of termination)

	Notes	Period from 1 January 2016 to 30 December 2016 (date of termination) HK\$	Year ended 31 December 2015 HK\$
BALANCE BROUGHT FORWARD		43,317,003	56,792,566
Payment on redemption of units			
- In-kind	6	(16,375,031)	(8,884,688)
- Cash component and cash redemption		(47,769)	(27,762)
Net decrease from unit transactions		(16,422,800)	(8,912,450)
Total comprehensive income for the period/year		193,697	(4,563,113)
Distributions to unitholders	9	(27,087,900)	-
Net assets attributable to unitholders at the period/year end		-	43,317,003

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

PING AN OF CHINA CSI HK MID CAP SELECT ETF

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

STATEMENT OF DISTRIBUTION

Period from 1 January 2016 to 30 December 2016 (date of termination)

	Note	Period from 1 January 2016 to 30 December 2016 (date of termination) HK\$	Year ended 31 December 2015 HK\$
Total comprehensive income for the period/ year		(946,145)	(7,765,300)
Less: Net unrealised fair value change on financial assets at fair value through profit or loss		(3,218,555)	8,872,686
Undistributed income before distribution		(4,164,700)	1,107,386
Final distribution distributed on 9 December 2016 (HK\$19.2336 per unit)	9	(28,850,400)	-
Transfer from/(to) capital		33,015,100	(1,107,386)
Undistributed income at the period/ year end		-	-

The amount available for distribution is the net distributable income of the Sub-Funds in respect of the relevant period that is total income minus all expenses, subject to adjustments made in accordance with the Trust Deed. Total Income would include amount receivable by way of interests (e.g. generated from bank deposits), dividends income, or other receipts as determined by the Manager of the Sub-Funds to be in the nature of income. Unrealised gains or losses do not form part of Total Income and therefore would not impact on the amount available for distribution. The Manager of the Sub-Funds may at its discretion pay distributions out of the capital of the Sub-Funds or pay distributions out of gross income while charging/paying all or part of the Sub-Funds' fee and expenses to/out of the capital of the Sub-Funds.

For the period from 1 January 2016 to 30 December 2016 (date of termination), as set out in the 30 September 2016 announcement and notice on the termination of the Sub-Fund, the final distribution was declared on 7 December 2016 to the investors who had held units as at the record date (2 November 2016). Such distributions were paid 100% out of capital. Amounts payable to unitholders in respect of any distribution did not bear interest.

PING AN OF CHINA CSI RAFI HK50 ETF
(A SUB-FUND OF PING AN OF CHINA TRUST)
STATEMENT OF DISTRIBUTION

Period from 1 January 2016 to 30 December 2016 (date of termination)

	Note	Period from 1 January 2016 to 30 December 2016 (date of termination) HK\$	Year ended 31 December 2015 HK\$
Total comprehensive income for the period/year		193,697	(4,563,113)
Less: Net unrealised fair value change on financial assets at fair value through profit or loss		(3,789,051)	7,288,239
Undistributed income before distribution		(3,595,354)	2,725,126
Final distribution distributed on 9 December 2016 (HK\$18.0586 per unit)	9	(27,087,900)	-
Transfer from/(to) capital		30,683,254	(2,725,126)
Undistributed income at the period/year end		-	-

The amount available for distribution is the net distributable income of the Sub-Funds in respect of the relevant period that is total income minus all expenses, subject to adjustments made in accordance with the Trust Deed. Total Income would include amount receivable by way of interests (e.g. generated from bank deposits), dividends income, or other receipts as determined by the Manager of the Sub-Funds to be in the nature of income. Unrealised gains or losses do not form part of Total Income and therefore would not impact on the amount available for distribution. The Manager of the Sub-Funds may at its discretion pay distributions out of the capital of the Sub-Funds or pay distributions out of gross income while charging/paying all or part of the Sub-Funds' fee and expenses to/out of the capital of the Sub-Funds.

For the period from 1 January 2016 to 30 December 2016 (date of termination), as set out in the 30 September 2016 announcement and notice on the termination of the Sub-Fund, the final distribution was declared on 7 December 2016 to the investors who had held units as at the record date (2 November 2016). Such distributions were paid 100% out of capital. Amounts payable to unitholders in respect of any distribution did not bear interest.

PING AN OF CHINA CSI HK MID CAP SELECT ETF

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

STATEMENT OF CASH FLOWS

Period from 1 January 2016 to 30 December 2016 (date of termination)

	Period from 1 January 2016 to 30 December 2016 (date of termination) HK\$	Year ended 31 December 2015 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(907,848)	(7,724,682)
Adjustments for:		
Dividend income	(834,040)	(959,304)
Interest income	(244)	-
Net realised losses/(gains) on financial assets at fair value through profit or loss	3,580,962	(2,034,540)
Net unrealised fair value change on financial assets at fair value through profit or loss	(3,218,555)	8,872,686
	(1,379,725)	(1,845,840)
Purchase of financial assets at fair value through profit or loss	(4,116,996)	(12,370,622)
Proceeds from sales of investments	33,475,513	13,126,130
Decrease in management fee payable	(13,942)	(11,685)
Decrease in trustee fee payable	(70,000)	-
(Decrease)/increase in accounts payable and accrued liabilities	(399,897)	111,796
Cash generated from/(used in) operations	27,494,953	(990,221)
Dividend received	838,570	974,234
Interest received	244	-
Taxation paid	(38,297)	(40,618)
Net cash flows from/(used in) operating activities	28,295,470	(56,605)

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

PING AN OF CHINA CSI HK MID CAP SELECT ETF

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

STATEMENT OF CASH FLOWS (continued)

Period from 1 January 2016 to 30 December 2016 (date of termination)

	Note	Period from 1 January 2016 to 30 December 2016 (date of termination) HK\$	Year ended 31 December 2015 HK\$
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash component received on issue of units		-	258,101
Cash component paid on redemption of units		-	(149,343)
Distribution paid		(28,850,400)	-
		<u>(28,850,400)</u>	<u>-</u>
Net cash flows (used in)/from financing activities		(28,850,400)	108,758
		<u>(28,850,400)</u>	<u>108,758</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(554,930)	52,153
Cash and cash equivalents at the beginning of the period/year		554,930	502,777
		<u>554,930</u>	<u>502,777</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	11	-	554,930
		<u><u>-</u></u>	<u><u>554,930</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position and the statement of cash flows	11	-	554,930
		<u><u>-</u></u>	<u><u>554,930</u></u>

The accompanying notes are an integral part of these financial statements

PING AN OF CHINA CSI RAFI HK50 ETF
(A SUB-FUND OF PING AN OF CHINA TRUST)
STATEMENT OF CASH FLOWS

Period from 1 January 2016 to 30 December 2016 (date of termination)

	Period from 1 January 2016 to 30 December 2016 (date of termination) HK\$	Year ended 31 December 2015 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	274,011	(4,442,096)
Adjustments for:		
Dividend income	(1,388,117)	(2,262,583)
Interest income	(227)	-
Net realised losses/(gains) on financial assets at fair value through profit or loss	3,382,250	(2,629,755)
Net unrealised fair value change on financial assets at fair value through profit or loss	(3,789,051)	7,288,239
	(1,521,134)	(2,046,195)
Purchase of financial assets at fair value through profit or loss	(9,314,745)	(20,498,358)
Proceeds from sales of investments	36,592,705	20,131,070
Decrease in amount due from brokers	-	9,384,878
Decrease in amount due to unitholders	-	(9,382,800)
Decrease in management fee payable	(20,199)	(10,565)
Decrease in trustee fee payable	(70,000)	-
(Decrease)/increase in accounts payable and accrued liabilities	(514,134)	234,618
Cash generated from/(used in) operations	25,152,493	(2,187,352)
Dividend received	1,388,117	2,262,583
Interest received	227	-
Taxation paid	(80,314)	(121,017)
Net cash flows from/(used in) operating activities	26,460,523	(45,786)

The accompanying notes are an integral part of these financial statements

PING AN OF CHINA CSI RAFI HK50 ETF
(A SUB-FUND OF PING AN OF CHINA TRUST)
STATEMENT OF CASH FLOWS (continued)

Period from 1 January 2016 to 30 December 2016 (date of termination)

	Note	Period from 1 January 2016 to 30 December 2016 (date of termination) HK\$	Year ended 31 December 2015 HK\$
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash component paid on redemption of units		(47,769)	(27,762)
Distribution paid		(27,087,900)	-
		<u>(27,135,669)</u>	<u>(27,762)</u>
Net cash used in financing activities		(27,135,669)	(27,762)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(675,146)	(73,548)
Cash and cash equivalents at the beginning of the period/year		675,146	748,694
		<u>675,146</u>	<u>748,694</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	11	-	675,146
		<u>=====</u>	<u>=====</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position and the statement of cash flows	11	-	675,146
		<u>=====</u>	<u>=====</u>

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

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

1. THE TRUST

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

On 4 May 2011, the Trust has established a Sub-Fund and has established the other three Sub-Funds on 10 February 2012 (each a separate Sub-Fund of the Trust and referred to individually as the "Sub-Fund" or collectively as the "Sub-Funds").

One of the four Sub-Funds, namely Ping An of China CSI RAFI A-Share 50 ETF>(*This is a synthetic ETF), was terminated on 30 June 2016. The financial Statements of Ping An of China CSI HK Dividend ETF is separately reported. These financial statements relate to the Ping An of China CSI HK Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF.

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

Ping An of China CSI HK Mid Cap Select ETF

The investment objective of the Sub-Fund (until termination) was to provide investment results that closely correspond to the performance of the CSI Hong Kong Middle Cap Select Index, which measures the performance of the 100 middle size securities in Hong Kong market selected based on their daily average trading value and daily average total market value. The Sub-Fund directly invests in substantially all of the constituent securities of the CSI Hong Kong Middle Cap Select Index. The underlying index does not have China A share or B share constituent stocks.

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

1. THE TRUST (continued)

Ping An of China CSI RAFI HK50 ETF

The investment objective of the Sub-Fund (until termination) was to provide investment results that closely correspond to the performance of the CSI RAFI Hong Kong 50 Index, which is a stock index consisting of the 50 largest stocks listed on the Stock Exchange of Hong Kong. The CSI RAFI Hong Kong 50 Index is different from the traditional capitalisation-weighted indices in that the underlying index's constituent selection and calculation are based on the stocks economic scale, which in turn, is measured based on four financial factors, namely, revenue, cash flow, book value and dividends. The CSI RAFI Hong Kong 50 Index does not have China A Share or B Share constituent stocks.

According to clause 24.3(a) of the trust deed dated 19 April 2010 (as amended and restated on 1 February 2012) governing the Trust and the Sub-Fund (the "Trust Deed"), at any time one year after the establishment of any sub-fund, where the aggregate net asset value of the units of the relevant classes outstanding in respect of such sub-fund shall be less than HK\$200,000,000, the Manager of the Sub-Funds may in its absolute discretion terminate the Sub-Funds. The Manager of the Sub-Funds, by means of a resolution of the Board of Directors of the Manager dated 30 September 2016, decided to terminate the Sub-Funds with the last trading day of the units of the Sub-Funds on the SEHK being 28 October 2016. No creation of units in the primary market through a participating dealer was allowed from 30 September 2016 onwards.

The Sub-Funds liquidated all investments on 31 October 2016. A final distribution, which was equal to the net asset value of each Sub-Fund as of 7 December 2016, was paid to unitholders on 9 December 2016. The net asset value per unit of each Sub-Fund was nil as at 30 December 2016 (date of termination) (2015: HK\$19.8644 and HK\$17.3268 for Ping An of China CSI HK Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF respectively).

Pursuant to the written resolution passed on 30 September 2016, the directors of the Manager of the Sub-Funds resolved to terminate their operations fully on 30 December 2016 (date of termination).

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

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.

As further explained below, the financial statements have been prepared under the liquidation basis. The estimated expenses associated with liquidation of HK\$334,000 and HK\$345,000 for Ping An of China CSI HK Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF respectively. As at 30 December 2016 (date of termination), all the liabilities and expenses payable up to 30 December 2016 (date of termination) were settled, with all over-provision returned to the relevant investors in the Final Distribution declared on 7 December 2016. (Please refer to announcement published by the Manager of the Sub-Funds on 30 September 2016.)

Owing to the shorter reporting period and the change in the basis of preparation from going concern basis to liquidation basis adopted for these financial statements in the current period, the amounts presented in the financial statements and the related explanatory notes for the period from 1 January 2016 to 30 December 2016 (date of termination) are not entirely comparable with the amounts presented for year ended 31 December 2015.

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

The Sub-Funds liquidated all investments on 31 October 2016. Accordingly, the financial statements of the Sub-Funds have been prepared on the liquidation basis.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Sub-Funds have adopted the following revised IFRS for the first time for the current period's financial statements.

Amendments to IAS 1 Disclosure Initiative

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

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

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

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Other than as adjusted for the adoption of liquidation basis as further explained in note 2.1 to the financial statements, the principal accounting policies applied in the preparation of these financial statements are set out below.

Financial instruments

(a) *Classification*

The Sub-Funds classify their financial assets and liabilities into the categories below in accordance with IAS 39.

Financial assets at fair value through profit or loss

Financial assets designated as at fair value through profit or loss upon initial recognition: these include equity securities and debt instruments that are not held for trading. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets, which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Sub-Funds (note 14). This category includes listed equity securities.

Loans and receivables

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

Financial liabilities

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

(b) *Recognition*

The Sub-Funds recognise a financial asset or financial liability when, and only when, they become a party to the contractual provisions of the instrument.

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

(c) *Initial measurement*

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

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

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(d) *Subsequent measurement*

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

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

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

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

(e) *Derecognition*

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

- the rights to receive cash flows from the asset have expired; or
- the Sub-Funds have transferred its rights to receive cash flows from the asset or have 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-Funds have transferred substantially all the risks or rewards of the asset, or (b) the Sub-Funds have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(e) *Derecognition (continued)*

When the Sub-Funds have transferred its rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if and to what extent they have retained the risk and rewards of ownership of the asset. When the Sub-Funds have neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Sub-Funds continue to recognise the transferred asset to the extent of the Sub-Funds' continuing involvement. In that case, the Sub-Funds also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Funds have 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-Funds could be required to repay.

Fair value measurement

The Sub-Funds measure their derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Sub-Funds. 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-Funds liquidated all investments on 31 October 2016.

Impairment of financial assets

The Sub-Funds assess at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets classified as loans and receivables is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost

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

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

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Sub-Funds.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Offsetting financial instruments

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

Cash and cash equivalents

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

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

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Redeemable units

Redeemable units are classified as equity instruments when:

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

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

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

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

The Sub-Funds continuously assess 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-Funds 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-Funds will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition, and cancellation of redeemable units are accounted for as financial liabilities transactions. Upon issuance of redeemable units, the consideration received is included in equity.

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

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

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amounts due to and due from broker

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

Interest income and expense

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

Dividend income and expense

Dividend income is recognised when the Sub-Funds' rights to receive the payment are established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in profit or loss. Dividend expense relating to equity securities sold short is recognised when the shareholders' rights to receive the payment are established.

Net change in unrealised gain or loss on financial assets at fair value through profit or loss

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

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

Net realised gains or losses on disposal of financial investment

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

Foreign currency translation

These financial statements are presented in Hong Kong Dollars ("HK\$"), which is the Sub-Funds' functional and presentation currency. Foreign currency transactions recorded by the Sub-Funds are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or transaction of monetary items are recognised in profit or loss.

Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Distribution to unitholders

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

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NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

Contingent liabilities recognized

A contingent liability recognised in a termination of a business is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

Provision for termination related expenses and ongoing maintenance

An amount of approximately HK\$334,000 and HK\$345,000 have been set aside as Provision (as set in the announcement published by the Manager of the Sub-Funds on 30 September 2016) for Ping An of China CSI HK Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF. Such provisions are to discharge any future costs, charges, expenses, claims and demands (including but not limited to any legal costs, Auditor's fees, regulatory maintenance costs, termination related expenses and the fees payable to any service provider to the Sub-Funds, including the Trustee) that the Trustee and the Manager of the Sub-Funds may incur or make during the period from the time after the announcement of the cessation of trading and Notice has been published up to the Termination Date in connection with or arising out of the on-going maintenance of the Sub-Funds and the Trust, and the termination process together with the delisting and deauthorisation.

As at 30 December 2016 (date of termination), all the liabilities and expenses payable up to 30 December 2016 (date of termination) were settled, with all over-provision returned to the relevant investors in the Final Distribution declared on 7 December 2016. (Please refer to announcement published by the Manager of the Sub-Funds on 30 September 2016.)

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
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NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Sub-Funds 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-Funds;
 - (ii) has significant influence over the Sub-Funds; or
 - (iii) is a member of the key management personnel of the Sub-Funds or of a parent of the Sub-Funds;

or

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

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Sub-Funds' financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts and their accompanying disclosures recognised in the financial statements and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liabilities affected in the future.

As further explained in note 2.1 to the financial statements, the Management has terminated the Sub-Funds and determined that the going concern basis is no longer applicable. Therefore, these financial statements have been prepared under liquidation basis.

Functional currency

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

Taxation

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

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

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

Management fee

The Manager of the Sub-Funds is entitled to receive a fee, calculated at an annual rate of 0.55% on the net asset value of each Sub-Fund at each dealing day and payable monthly in arrears. The management fee for the period from 1 January 2016 to 30 December 2016 (date of termination) was HK\$125,109 and HK\$147,691 (2015: HK\$222,146 and HK\$314,528) for Ping An of China CSI Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF respectively.

As at 30 December 2016 (date of termination), no management fee was payable to the Manager of the Sub-Funds (2015: HK\$13,942 and HK\$20,199) by Ping An of China CSI Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF respectively.

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NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

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

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

Safe custody fee and bank charges pertain to the amount charged by The Hong Kong and Shanghai Banking Corporation Limited ("HSBC") to each Sub-Fund as safe keeping fees. The safe custody fee and bank charges for the period from 1 January 2016 to 30 December 2016 (date of termination) were HK\$11,950 and HK\$16,084 (2015: HK\$40,322 and HK\$51,292) for Ping An of China CSI Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF respectively. As at 30 December 2016 (date of termination) and 31 December 2015, no safe custody fee was payable to the Trustee by each Sub-Fund.

Trustee fee

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

Under the terms of the Trust Deed, the Trustee of the Sub-Funds may, after consulting the Manager of the Sub-Funds, on giving not less than three (3) months' written notice to the relevant unitholders (or such shorter notice as the SFC approve), increase the rate of the trustee fee payable in respect of each Sub-Fund up to or towards the maximum rate of 1% per annum of the net asset value of the Sub-Funds accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

The trustee fee for the period from 1 January 2016 to 30 December 2016 (date of termination) was HK\$572,578 (2015: HK\$840,000) for each Sub-Fund. As at 30 December 2016 (date of termination), no trustee fee was payable to the Trustee by each Sub-Fund (2015: HK\$70,000).

Transaction costs on investment

The Sub-Funds utilise the trading services with brokers with a broker commission charge at average rate of 0.1% (10 bps) on the sale and purchase of each security acquired for the accounts of the Sub-Funds. Also, 0.1% stamp duty is payable on the sale and purchase of each security. The commission will be adjusted from time to time on the sale and purchase of the securities. The Sub-Funds did not enter into any transactions with any related broker for the period from 1 January 2016 to 30 December 2016 (date of termination) and for the year ended 31 December 2015.

Transaction handling fees

The Trustee of the Sub-Funds is also entitled to transaction handling fee per transaction for the Sub-Funds. The Transaction handling fee for the period from 1 January 2016 to 30 December 2016 (date of termination) is HK\$55,674 and HK\$30,686 (2015: HK\$39,609 and HK\$11,125) for Ping An of China CSI Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF respectively and included under Transaction fee in the financial statements. As at 30 December 2016 (date of termination), no transaction fee was payable to the Trustee of the Sub-Funds (2015: HK\$18,176 and HK\$543) by Ping An of China CSI Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF respectively.

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

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NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

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

Accounting fee

The Sub-Funds also utilise the accounting services from the Trustee of the Sub-Funds. Accounting fee paid to the Trustee of the Sub-Funds for the period from 1 January 2016 to 30 December 2016 (date of termination) was HK\$62,101 and HK\$62,101 (2015: HK\$85,285 and HK\$ 85,285) for Ping An of China CSI Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF respectively and included under Accounting and professional fee in the financial statements. As at 30 December 2016 (date of termination), no accounting fee was payable to the Trustee of the Sub-Funds (2015: HK\$46,516 and HK\$46,516) by Ping An of China CSI Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF respectively.

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

During the period ended 30 December 2016 (date of termination) and year ended 31 December 2015, the Manager of the Sub-Fund held a number of units of the Sub-Fund. The balance and the number of actual units held by the Manager of the Sub-Fund at 30 December 2016 (date of termination) and 31 December 2015 are summarised below:

	Ping An of China CSI HK Mid Cap Select ETF
As at 30 December 2016 (date of termination)	
Number of actual units held by the Manager of the Sub-Fund	-
	HK\$
Net assets attributable to unitholders held by the Manager of the Sub-Fund	-
	=====
As at 31 December 2015	
Number of actual units held by the Manager of the Sub-Fund	67,686
	HK\$
Net assets attributable to unitholders held by the Manager of the Sub-Fund	1,344,542
	=====

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

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NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

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

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

	Currency	Approximate Total Trading Volume (based on trading units)	Percentage of Total Transactions (based on trading units)
For the period from 1 January 2016 to 30 December 2016 (date of termination)			
Sub-Fund Ping An of China CSI HK Mid Cap Select ETF	HK\$	67,686	37.88%
For the year ended 31 December 2015			
Sub-Fund Ping An of China CSI HK Mid Cap Select ETF	HK\$	-	-

Bank balance

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

	Ping An of China CSI HK Mid Cap Select ETF HK\$	Ping An of China CSI RAFI HK50 ETF HK\$
As at 30 December 2016 (date of termination)		
The Hongkong and Shanghai Banking Corporation Limited	-	-
	=====	=====
As at 31 December 2015		
The Hongkong and Shanghai Banking Corporation Limited	554,930	675,146
	=====	=====

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
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NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

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

Interest income and expense

The interest income earned and interest expenses incurred by the Sub-Funds through a group company of the Trustee, i.e. The Hongkong and Shanghai Banking Corporation Limited, which carry interest at normal commercial rates are as follows:

	Ping An of China CSI HK Mid Cap Select ETF HK\$	Ping An of China CSI RAFI HK50 ETF HK\$
For the period from 1 January 2016 to 30 December 2016 (date of termination)		
Interest income	244 =====	227 =====
Interest expense	- =====	- =====
For the year ended 31 December 2015		
Interest income	- =====	- =====
Interest expense	390 =====	- =====

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(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

6. MAJOR NON-CASH TRANSACTIONS

Subscription

Ping An of China CSI Mid Cap Select ETF

During the period from 1 January 2016 to 30 December 2016 (date of termination), the Sub-Fund has no subscriptions in exchange for a basket of equity securities of the Sub-Fund's underlying index shares and/or non-index shares. During the year ended 31 December 2015, the Sub-Fund has subscribed 1,000,000 units in exchange for a basket of equity securities of the Sub-Fund's underlying index shares and/or non-index shares valued at a total of HK\$27,094,649 plus the relevant cash component included in the statement of cash flows.

Ping An of China CSI RAFI HK50 ETF

During the period from 1 January 2016 to 30 December 2016 (date of termination), and year ended 31 December 2015, there was no subscriptions for the Sub-Fund.

Redemption

Ping An of China CSI Mid Cap Select ETF

During the period from 1 January 2016 to 30 December 2016 (date of termination), the Sub-Fund redeemed all of its existing units of 1,500,000 and the entire amount was distributed to the unitholders (note 9). As such, no non cash transactions were executed during the period from 1 January 2016 to 30 December 2016 (date of termination). During the year ended 31 December 2015, the Sub-Fund redeemed 1,500,000 units in exchange for a basket of equity securities of the Sub-Fund's underlying index shares and/or non-index shares valued at a total of HK\$36,153,857 plus the relevant cash component included in the statement of cash flows.

Ping An of China CSI RAFI HK50 ETF

During the period from 1 January 2016 to 30 December 2016 (date of termination), the Sub-Fund redeemed all of its existing units of 2,500,000 and out of which 1,000,000 (2015: 500,000) units in exchange for a basket of equity securities of the Sub-Fund's underlying index shares and/or non-index shares valued at a total of HK\$16,375,031 (2015: HK\$8,884,688) plus the relevant cash component included in the statement of cash flows.

7. SOFT COMMISSION ARRANGEMENTS

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

8. TAXATION

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

Distribution tax

A 10% (2015: 10%) PRC withholding tax has been levied on dividend and interest payments from PRC companies to foreign investors. As such, the brokers will pass on this tax liability to the Sub-Funds in the form of a distribution tax and therefore, the Sub-Funds are subject to a distribution tax of 10% (2015: 10%). The Manager of the Sub-Funds considers that there is no assurance that the rate of the distribution tax will not be changed by the PRC tax authorities in the future.

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NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

9. DISTRIBUTIONS

The Manager of the Sub-Funds may in its absolute discretion distribute income to unitholders at such time or times as it may determine in each financial period or determine that no distribution shall be made in any financial period. The amount to be distributed to unitholders, if any, will be derived from the net income of the Sub-Funds.

The final distributions made by Ping An of China CSI HK Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF for the period from 1 January 2016 to 30 December 2016 (date of termination) are as follows:

	Ping An of China CSI HK Mid Cap Select ETF HK\$
Final distribution distributed on 9 December 2016 (HK\$19.2336 per unit)	28,850,400
	<hr/>
	28,850,400
	<hr/> <hr/>
	Ping An of China CSI RAFI HK50 ETF HK\$
Final distribution distributed on 9 December 2016 (HK\$18.0586 per unit)	27,087,900
	<hr/>
	27,087,900
	<hr/> <hr/>

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

10. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit and loss

	Ping An of China CSI HK Mid Cap Select ETF HK\$	Ping An of China CSI RAFI HK50 ETF HK\$
As at 30 December 2016 (date of termination)		
Equities:		
Equity securities, at fair value	-	-
	=====	=====
As at 31 December 2015		
Equities:		
Equity securities, at fair value	29,720,924	43,246,190
	=====	=====

11. CASH AND CASH EQUIVALENTS

	Ping An of China CSI HK Mid Cap Select ETF HK\$	Ping An of China CSI RAFI HK50 ETF HK\$
As at 30 December 2016 (date of termination)		
Cash at bank	-	-
	=====	=====
As at 31 December 2015		
Cash at bank	554,930	675,146
	=====	=====

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

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
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NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

12. THE REDEEMABLE UNITS

	Ping An of China CSI HK Mid Cap Select ETF HK\$	Ping An of China CSI RAFI HK50 ETF HK\$
For the period from 1 January 2016 to 30 December 2016 (date of termination)		
Units in issue at the beginning of the period	1,500,000	2,500,000
Redemption of units	(1,500,000)	(2,500,000)
	<u> </u>	<u> </u>
Units in issue at the end of the period	-	-
	<u> </u>	<u> </u>
For the year ended 31 December 2015		
Units in issue at the beginning of the year	2,000,000	3,000,000
Issue of units	1,000,000	-
Redemption of units	(1,500,000)	(500,000)
	<u> </u>	<u> </u>
Units in issue at the end of the year	1,500,000	2,500,000
	<u> </u>	<u> </u>

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
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NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

12. THE REDEEMABLE UNITS (continued)

	Ping An of China CSI HK Mid Cap Select ETF HK\$	Ping An of China CSI RAFI HK50 ETF HK\$
As at 30 December 2016 (date of termination)		
Net asset value (in accordance with Sub-Fund's Trust Deed)	-	-
	-----	-----
Net asset value per unit (in accordance with Sub-Fund's Trust Deed)	-	-
	=====	=====
As at 31 December 2015		
Net asset value (in accordance with Sub-Fund's Trust Deed)	29,796,545	43,317,003
	-----	-----
Net asset value per unit (in accordance with Sub-Fund's Trust Deed)	19.8644	17.3268
	=====	=====

The creation and redemption of units of the Sub-Funds can only be facilitated by or through Participating Dealers. Investors other than the Participating Dealers make a request to create or redeem units through a Participating Dealer, and if the investor is a retail investor, such request must be made through a stockbroker, which has opened an account with a Participating Dealer.

The Trustee of the Sub-Funds shall receive subscription proceeds from the Participating Dealers for the creation of units and pay redemption proceeds for the redemption of units to the relevant Participating Dealer in such form and manner as prescribed by the Trust Deed.

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

13. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

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

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

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

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

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

Risk Management

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

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

The Sub-Funds themselves are subject to various risks. The main risks associated with the investments, assets and liabilities of the Sub-Funds are set out below:

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

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

Risk Management (continued)

(a) Market risk

(i) Market price risk

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

Ping An of China CSI HK Mid Cap Select ETF

The Sub-Fund will directly invest in substantially all of the constituent securities of the CSI Hong Kong Middle Cap Select Index (“Index Shares”) in substantially the same weighting (i.e. proportions) as these Index Shares have in the underlying index. The Sub-Fund is therefore exposed to substantially the same market price risk as the CSI Hong Kong Middle Cap Select Index. The stocks of mid-capitalisation companies may have lower liquidity and their prices are typically more volatile and more vulnerable to adverse business or economic developments than those of larger capitalisation companies. This may impact the net asset value of the HK Mid Cap Select ETF to a larger extent than those of funds that invest in stocks of larger capitalisation companies. Further, mid-capitalisation companies generally have less diverse product lines than large-capitalisation companies and thus are more susceptible to adverse developments concerning their products. The performance of such companies may therefore be more volatile and in turn impact the HK Mid Cap Select ETF.

Ping An of China CSI RAFI HK50 ETF

The Sub-Fund will directly invest in substantially all of the constituent securities of the CSI RAFI Hong Kong 50 Index (“Index Shares”) in substantially the same weighting (i.e. proportions) as these Index Shares have in the underlying index. The Sub-Fund is therefore exposed to substantially the same market price risk as the CSI RAFI Hong Kong 50 Index.

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

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

Risk Management (continued)

(a) Market risk (continued)

(i) Market price risk (continued)

As at 30 December 2016 (date of termination), the Sub-Funds did not hold any investments and was not exposed to market price risk. As at 31 December 2015, the Sub-Funds' investments were concentrated in the following industries.

Ping An of China CSI HK Mid Cap Select ETF
2015

	Fair value	% of net asset value
	HK\$	HK\$
Equities - By Sectors		
Basic Materials	500,068	1.68
Communications	985,546	3.31
Consumer, Cyclical	4,583,473	15.38
Consumer, Non-cyclical	5,776,170	19.39
Diversified	364,872	1.22
Energy	1,267,793	4.25
Financial	8,791,220	29.50
Industrial	5,097,092	17.11
Technology	1,008,781	3.39
Utilities	1,345,909	4.52
	<u>29,720,924</u>	<u>99.75</u>
	=====	=====

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

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

Risk Management (continued)

(a) Market risk (continued)

(i) Market price risk (continued)

	Ping An of China CSI RAFI HK50 ETF 2015	
	Fair value	% of net asset value
	HK\$	HK\$
Equities - By Sectors		
Basic Materials	184,198	0.43
Communications	9,035,575	20.86
Consumer, Cyclical	2,544,666	5.87
Consumer, Non-cyclical	115,611	0.27
Diversified	755,317	1.74
Energy	2,414,938	5.58
Financial	26,173,773	60.42
Industrial	210,236	0.49
Technology	317,224	0.73
Utilities	1,494,652	3.45
	<u>43,246,190</u>	<u>99.84</u>
	=====	=====

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

As at 30 December 2016 (date of termination), the Sub-Funds did not expose to market price risk, as all the Sub-Funds' investments had been disposed hence the Manager of the Sub-Funds considers sensitivity analysis is not applicable. As at 31 December 2015, if the CSI Hong Kong Middle Cap Select Index and CSI RAFI Hong Kong 50 Index were to increase by 5% with all other variables held constant, this would increase the pre-tax profit for the year of Ping An of China CSI HK Mid Cap Select ETF and Ping An of China CSI RAFI HK50 ETF by approximately HK\$1 million and HK\$2 million respectively. Conversely, if such Indexes were to decrease by 5% this would decrease the pre-tax profit for the year by approximately equal amounts.

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

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

Risk Management (continued)

(a) Market risk (continued)

(ii) Interest rate risk

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

The Manager of the Sub-Funds considers that the Sub-Funds are not subject to significant amount of risk due to fluctuations in the prevailing level of market interest rate.

As at 30 December 2016 (date of termination), the Sub-Funds did not expose to interest rate risk, as all the Sub-Funds' investments had been disposed hence the Manager of the Sub-Funds considers sensitivity analysis is not applicable.

(iii) Currency risk

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

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

As at 30 December 2016 (date of termination), the Sub-Funds did not expose to currency risk, as all the Sub-Funds' investments had been disposed hence the Manager of the Sub-Funds considers sensitivity analysis is not applicable.

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

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

Risk Management (continued)

(b) Credit and counterparty risk

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

The Sub-Funds' financial assets which are potentially subject to concentrations of counterparty risk consist principally of bank deposits and assets held with the custodian.

As at 30 December 2016 (date of termination), the Sub-Funds did not hold any assets and liabilities and was not exposed to counterparty risk. As at 31 December 2015, the credit rating from Standard and Poor's of banks and custodians in which the Sub-Funds' assets are summarised below:

31 December 2015

<u>Custodian & Bank</u>	Credit rating
- The Hongkong and Shanghai Banking Corporation Limited	A

	Net exposure to Counterparty HK\$	% of Net Asset Value
Ping An of China CSI Mid Cap Select ETF	30,275,854	101.61%
Ping An of China CSI RAFI HK50 ETF	43,921,336	101.40%

The Maximum exposure to credit risk at the end of the reporting period is the carrying amount of the assets as shown on the statement of financial position. As at 30 December 2016 (date of termination), the Sub-Funds did not expose to credit risk, as all the Sub-Funds' assets and liabilities had been disposed.

(c) Liquidity risk

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

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

As at 30 December 2016 (date of termination), the Sub-Funds did not expose to liquidity risk, as the Sub-Funds did not hold any assets and liabilities hence the Manager of the Sub-Funds considers liquidity risk disclosure is not applicable.

The tables below summarise the Sub-Funds' maturity analysis for financial assets and liabilities as at 31 December 2015 as below:

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

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

Risk Management (continued)

(c) Liquidity risk (continued)

Ping An of China CSI HK Mid Cap Select ETF

As at 31 December 2015	<1 month HK\$	>1 to 3 months HK\$	> 3 to 12 months HK\$	> 1 to 5 years HK\$	Total HK\$
Financial assets					
Financial assets at fair value through profit or loss	29,720,924	-	-	-	29,720,924
Dividend receivable	4,530	-	-	-	4,530
Cash and cash equivalents	554,930	-	-	-	554,930
Total	30,280,384	-	-	-	30,280,384
Financial liabilities					
Management fee payable	13,942	-	-	-	13,942
Trustee fee payable	70,000	-	-	-	70,000
Accounts payable and accrued liabilities	18,176	233,521	148,200	-	399,897
Total	102,118	233,521	148,200	-	483,839

Ping An of China CSI RAFI HK50 ETF

As at 31 December 2015	<1 month HK\$	>1 to 3 months HK\$	> 3 to 12 months HK\$	> 1 to 5 years HK\$	Total HK\$
Financial assets					
Financial assets at fair value through profit or loss	43,246,190	-	-	-	43,246,190
Cash and cash equivalents	675,146	-	-	-	675,146
Total	43,921,336	-	-	-	43,921,336
Financial liabilities					
Management fee payable	20,199	-	-	-	20,199
Trustee fee payable	70,000	-	-	-	70,000
Accounts payable and accrued liabilities	15,543	358,191	140,400	-	514,134
Total	105,742	358,191	140,400	-	604,333

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

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

Risk Management (continued)

(d) Fair value hierarchy

As at 30 December 2016 (date of termination), the Sub-Funds did not hold any investments.

The following tables illustrate the fair value measurement hierarchy of the Sub-Funds' financial instruments as at 31 December 2015.

Ping An of China CSI HK Mid Cap Select ETF

	<u>Fair value measurement as at 31 December 2015 using</u>			
	Quoted prices in active markets Level 1 HK\$	Significant observable inputs Level 2 HK\$	Significant unobservable inputs Level 3 HK\$	Total HK\$
As at 31 December 2015				
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	29,720,924	-	-	29,720,924

Ping An of China CSI RAFI HK50 ETF

	<u>Fair value measurement as at 31 December 2015 using</u>			
	Quoted prices in active markets Level 1 HK\$	Significant observable inputs Level 2 HK\$	Significant unobservable inputs Level 3 HK\$	Total HK\$
As at 31 December 2015				
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	43,246,190	-	-	43,246,190

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

NOTES TO THE FINANCIAL STATEMENTS

30 December 2016 (date of termination)

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

Risk Management (continued)

(e) Capital management

The Sub-Funds' capitals are represented by the net assets attributable to unitholders. The Sub-Funds strive to invest the subscriptions of redeemable participating units in investments that meet the Sub-Funds' investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

The Manager of the Sub-Funds manages the capitals of the Sub-Funds, in accordance with the Sub-Funds' investment objectives and policies stated in the prospectus.

15. SEGMENT INFORMATION

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

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

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

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

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

16. APPROVAL OF THE FINANCIAL STATEMENTS

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

PING AN OF CHINA CSI HK MID CAP SELECT ETF

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

INVESTMENT PORTFOLIO

As at 30 December 2016 (date of termination)

The Sub-Fund did not hold any investments as at 30 December 2016 (date of termination).

PING AN OF CHINA CSI RAFI HK50 ETF
(A SUB-FUND OF PING AN OF CHINA TRUST)
INVESTMENT PORTFOLIO

As at 30 December 2016 (date of termination)

The Sub-Fund did not hold any investments as at 30 December 2016 (date of termination).

PING AN OF CHINA CSI HK MID CAP SELECT ETF

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

MOVEMENTS IN INVESTMENT PORTFOLIO

For the period from 1 January 2016 to 30 December 2016 (date of termination)

INVESTMENTS	Holdings As at 1 January 2016	Additions	Corporate Action	Disposals	Holdings As at 30 December 2016 (date of termination)
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Financial assets at fair value through profit or loss

Listed investments

3SBio Inc	42,000	500	-	(42,500)	-
Agile Group Holdings Ltd (formerly known as Agile Property Holdings Ltd)	35,845	-	-	(35,845)	-
Air China Ltd	36,964	2,000	-	(38,964)	-
Anhui Conch Cement Co Ltd	21,620	500	-	(22,120)	-
ANTA Sports Products Ltd	16,958	-	-	(16,958)	-
ASM Pacific Technology Ltd	5,232	-	-	(5,232)	-
Beijing Enterprises Water Group Ltd	85,963	2,000	-	(87,963)	-
BEP International Holdings Ltd	-	140,000	-	(140,000)	-
Brightoil Petroleum Holdings Ltd	112,424	-	-	(112,424)	-
BYD Co Ltd	10,785	-	-	(10,785)	-
Car Inc	14,066	2,000	-	(16,066)	-
CGN Power Co Ltd	-	189,000	-	(189,000)	-
Champion REIT	47,113	-	-	(47,113)	-
China Agri-Industries Holdings Ltd	58,848	-	-	(58,848)	-
China Cinda Asset Management Co Ltd	-	198,000	-	(198,000)	-
China Coal Energy Co	55,795	-	-	(55,795)	-
China Communications Construction Co Ltd	73,194	2,000	-	(75,194)	-
China Conch Venture Holdings Ltd	30,084	500	-	(30,584)	-
China Eastern Airlines	-	32,000	-	(32,000)	-
China Everbright Bank Co Ltd	57,271	1,000	-	(58,271)	-
China Everbright Ltd	19,050	-	-	(19,050)	-
China Galaxy Securities Co Ltd	61,500	1,000	-	(62,500)	-
China Hongqiao Group Ltd	30,744	10,500	-	(41,244)	-
China Hongqiao Group Ltd Nil Paid Rts 05/02/2016	-	-	4,304	(4,304)	-
China Huishan Dairy Holdings Co Ltd	112,168	2,000	-	(114,168)	-
China International Marine Containers Group Co Ltd	11,967	-	-	(11,967)	-
China Jinmao Holdings Group Ltd	52,468	2,000	-	(54,468)	-
China Lessu Group Holdings Ltd	20,996	-	-	(20,996)	-
China Longyuan Power Group Corp	55,959	1,000	-	(56,959)	-
China Medical System Holdings Ltd	27,877	-	-	(27,877)	-

PING AN OF CHINA CSI HK MID CAP SELECT ETF

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

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 1 January 2016 to 30 December 2016 (date of termination)

INVESTMENTS (continued)	Holdings As at 1 January 2016	Additions	Corporate Action	Disposals	Holdings As at 30 December 2016 (date of termination)
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**Financial assets at fair value through profit or loss
(continued)**

Listed investments (continued)

China National Building Material Co Ltd	51,698	-	-	(51,698)	-
China Oilfield Services Ltd	36,594	-	-	(36,594)	-
China Power International Development Ltd	59,782	-	-	(59,782)	-
China Railway Construction Corp Ltd	36,152	-	-	(36,152)	-
China Railway Group Ltd	69,534	2,000	-	(71,534)	-
China Resources Cement Holdings Ltd	44,094	-	-	(44,094)	-
China South City Holdings Ltd	53,796	28,000	-	(81,796)	-
China Traditional Chinese Medicine Holding Co Ltd	-	38,000	-	(38,000)	-
China Vanke Co Ltd	24,122	900	-	(25,022)	-
China Zhongwang Holdings Ltd	-	27,600	-	(27,600)	-
CITIC Securities Co Ltd	22,790	16,000	-	(38,790)	-
COSCO Shipping Ports Ltd (formerly known as COSCO Pacific Ltd)	33,950	2,000	-	(35,950)	-
CRRC Corporation Ltd	72,535	2,000	-	(74,535)	-
CSPC Pharmaceutical Group Ltd	79,289	-	-	(79,289)	-
Dah Sing Banking Group Ltd	6,800	400	-	(7,200)	-
Dalian Wanda Commercial Properties Co Ltd	10,861	200	-	(11,061)	-
Dongfeng Motor Group Co Ltd	48,205	-	-	(48,205)	-
Esprit Holdings Ltd	25,838	-	-	(25,838)	-
Far East Horizon Ltd	32,344	8,000	-	(40,344)	-
FIH Mobile Ltd	61,757	-	-	(61,757)	-
First Pacific Co Ltd	42,000	2,000	-	(44,000)	-
Fullshare Holdings Ltd	-	80,000	-	(80,000)	-
GCL Poly Energy Holdings Ltd	204,056	40,811	-	(244,867)	-
GCL Poly Energy Holdings Ltd Nil Paid Rts 2015 20/01/2016	40,811	-	-	(40,811)	-
Geely Automobile Holdings Ltd	89,561	-	-	(89,561)	-
GF Securities Co Ltd	28,200	600	-	(28,800)	-
Golden Eagle Retail Group Ltd	8,295	-	-	(8,295)	-
Goldin Properties Holdings Ltd	24,132	6,000	-	(30,132)	-
GOME Electrical Appliances Holdings Ltd	173,788	93,000	-	(266,788)	-
Great Eagle Holdings Ltd	5,623	-	-	(5,623)	-

PING AN OF CHINA CSI HK MID CAP SELECT ETF

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

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 1 January 2016 to 30 December 2016 (date of termination)

INVESTMENTS (continued)	Holdings As at 1 January 2016	Additions	Corporate Action	Disposals	Holdings As at 30 December 2016 (date of termination)
<u>Financial assets at fair value through profit or loss(continued)</u>					
Listed investments (continued)					
Great Wall Motor Co Ltd	51,429	1,000	-	(52,429)	-
Greentown China Holdings Ltd	24,548	-	-	(24,548)	-
Guangzhou Automobile Group Co Ltd	42,236	-	-	(42,236)	-
Guotai Junan International Holdings Ltd	-	47,000	-	(47,000)	-
Haitian International Holdings Ltd	13,030	-	-	(13,030)	-
Haitong International Securities Group Ltd	36,000	-	-	(36,000)	-
Haitong Securities Co Ltd	45,452	800	-	(46,252)	-
Hopewell Holdings Ltd	11,500	500	-	(12,000)	-
Huaneng Power International Inc	77,745	2,000	-	(79,745)	-
Huatai Securities Co Ltd	28,600	600	-	(29,200)	-
Hysan Development Co Ltd	11,000	-	-	(11,000)	-
Imperial Pacific International Holdings Ltd	-	960,000	-	(960,000)	-
Intime Retail Group Co Ltd	14,407	8,000	-	(22,407)	-
Jiangxi Copper Co Ltd	23,564	-	-	(23,564)	-
Kerry Logistics Network Ltd	14,865	-	-	(14,865)	-
Kerry Properties Ltd	-	12,000	-	(12,000)	-
Kingsoft Corp Ltd	16,069	-	-	(16,069)	-
Kingston Financial Group Ltd	44,000	-	-	(44,000)	-
KWG Property Holding Ltd	33,101	-	-	(33,101)	-
Lee & Man Paper Manufacturing Ltd	34,513	-	-	(34,513)	-
Lifestyle International Holdings Ltd	10,500	-	-	(10,500)	-
L'Occitane International SA	7,305	-	-	(7,305)	-
Luye Pharma Group Ltd	27,625	500	-	(28,125)	-
Macau Legend Development Ltd	37,229	-	-	(37,229)	-
Melco International Development Ltd	12,812	-	-	(12,812)	-
New China Life Insurance Co Ltd	13,730	300	-	(14,030)	-
Nexteer Automotive Group Ltd	-	16,000	-	(16,000)	-
Nine Dragons Paper Holdings Ltd	30,890	1,000	-	(31,890)	-
Orient Overseas International Ltd	4,085	-	-	(4,085)	-
PCCW Ltd	80,298	-	-	(80,298)	-

PING AN OF CHINA CSI HK MID CAP SELECT ETF

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

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 1 January 2016 to 30 December 2016 (date of termination)

INVESTMENTS (continued)	Holdings As at 1 January 2016	Additions	Corporate Action	Disposals	Holdings As at 30 December 2016 (date of termination)
<u>Financial assets at fair value through profit or loss</u>					
(continued)					
Listed investments (continued)					
People's Insurance Co Group of China Ltd	125,803	3,000	-	(128,803)	-
Samsonite International	23,288	600	-	(23,888)	-
Semiconductor Manufacturing International Corp	487,548	13,000	-	(500,548)	-
Shanghai Industrial Holdings Ltd	9,345	-	-	(9,345)	-
Shangri-La Asia Ltd	30,000	-	-	(30,000)	-
Shenzhen International Holdings Ltd	19,000	500	-	(19,500)	-
Shenzhen Investment Ltd	48,000	2,000	-	(50,000)	-
Shenzhou International Group Holdings Ltd	11,836	-	-	(11,836)	-
Shui On Land Ltd	89,155	500	-	(89,655)	-
Sihuan Pharmaceutical Holdings Group Ltd	-	88,000	-	(88,000)	-
Sino Biopharmaceutical Ltd	79,831	18,000	-	(97,831)	-
Sino-Ocean Group Holding Ltd (formerly known as Sino-Ocean Land Holdings Ltd)	71,347	-	-	(71,347)	-
Sinopharm Group Co Ltd	19,779	400	-	(20,179)	-
SOHO China Ltd	40,903	-	-	(40,903)	-
Sunac China Holdings Ltd	39,921	-	-	(39,921)	-
Techtronic Industries Co Ltd	30,517	-	-	(30,517)	-
Television Broadcasts Ltd	5,939	-	-	(5,939)	-
Towngas China Co Ltd	20,265	-	-	(20,265)	-
Tsingtao Brewery Co Ltd	7,314	-	-	(7,314)	-
Uni-President China Holdings Ltd	21,831	-	-	(21,831)	-
VTech Holdings Ltd	3,082	-	-	(3,082)	-
Xinyi Automobile Glass Hong Kong Enterprises Ltd	-	5,617	-	(5,617)	-
Xinyi Glass Holdings Ltd	50,940	89,880	-	(140,820)	-
Xinyi Solar Holdings Ltd	-	116,000	-	(116,000)	-
Yuexiu Property Co Ltd	124,217	2,000	-	(126,217)	-
Zhuzhou CRRC Times Electric Co Ltd (formerly known as "Zhuzhou CSR Times Electric Co Ltd")	10,051	-	-	(10,051)	-

PING AN OF CHINA CSI RAFI HK50 ETF

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

MOVEMENTS IN INVESTMENT PORTFOLIO

For the period from 1 January 2016 to 30 December 2016 (date of termination)

INVESTMENTS	Holdings As at 1 January 2016	Additions	Corporate Action	Disposals	Holdings As at 30 December 2016 (date of termination)
<u>Financial assets at fair value through profit or loss</u>					
Listed investments					
Agricultural Bank of China Ltd	124,027	85,000	-	(209,027)	-
AIA Group Ltd	73,314	-	-	(73,314)	-
Bank of China Ltd	485,462	256,000	-	(741,462)	-
Bank of Communications Co Ltd	63,185	23,000	-	(86,185)	-
BOC Hong Kong (Holdings) Ltd	25,459	-	-	(25,459)	-
Cathay Pacific Airways Ltd	7,637	3,000	-	(10,637)	-
Cheung Kong Property Holdings Ltd	-	7,500	-	(7,500)	-
China CITIC Bank Corp Ltd	36,128	39,000	-	(75,128)	-
China Communications Construction Co Ltd	26,545	17,000	-	(43,545)	-
China Construction Bank Corp	582,910	183,000	-	(765,910)	-
China Evergrande Group (formerly known as Evergrande Real Estate Group Ltd)	28,202	14,000	-	(42,202)	-
China Life Insurance Co Ltd	44,245	1,000	-	(45,245)	-
China Merchants Bank Co Ltd	27,463	500	-	(27,963)	-
China Mobile Ltd	36,622	-	-	(36,622)	-
China Overseas Land & Investment Ltd	24,032	-	-	(24,032)	-
China Overseas Property Holding Co Ltd	10,011	-	-	(10,011)	-
China Petroleum & Chemical Corp	153,937	212,000	-	(365,937)	-
China Resources Beer Holdings Co Ltd	7,442	-	-	(7,442)	-
China Resources Land Ltd	15,709	-	-	(15,709)	-
China Resources Power Holdings Co Ltd	15,713	-	-	(15,713)	-
China Shenhua Energy Co Ltd	14,950	19,000	-	(33,950)	-
China Telecom Corp Ltd	74,806	-	-	(74,806)	-
China Unicom (Hong Kong) Ltd	42,902	24,000	-	(66,902)	-
CITIC Ltd	29,707	-	-	(29,707)	-
CK Hutchison Holdings Ltd	15,816	500	-	(16,316)	-
CLP Holdings Ltd	9,517	-	-	(9,517)	-
CNOOC Ltd	108,377	36,000	-	(144,377)	-
Country Garden Holdings Co Ltd	55,708	-	-	(55,708)	-
Fosun International Ltd	15,223	-	-	(15,223)	-
Hang Lung Properties Ltd	14,867	-	-	(14,867)	-

PING AN OF CHINA CSI RAFI HK50 ETF

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

MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

For the period from 1 January 2016 to 30 December 2016 (date of termination)

INVESTMENTS (continued)	Holdings As at 1 January 2016	Additions	Corporate Action	Disposals	Holdings As at 30 December 2016 (date of termination)
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Financial assets at fair value through profit or loss(continued)

Listed investments (continued)

Hang Seng Bank Ltd	4,536	-	-	(4,536)	-
Henderson Land Development Co Ltd	7,833	-	550	(8,383)	-
HSBC Holdings Plc	74,003	6,000	-	(80,003)	-
Industrial and Commercial Bank of China Ltd	512,180	221,000	-	(733,180)	-
Lenovo Group Ltd	40,308	56,000	-	(96,308)	-
Li & Fung Ltd	38,863	46,000	-	(84,863)	-
Link REIT	13,767	-	-	(13,767)	-
MTR Corp Ltd	-	4,500	-	(4,500)	-
New World Development Co Ltd	31,987	17,000	-	(48,987)	-
PetroChina Co Ltd	125,555	134,000	-	(259,555)	-
Ping An Insurance (Group) Co of China Ltd	30,882	-	-	(30,882)	-
Power Assets Holdings Ltd	8,850	-	-	(8,850)	-
Sands China Ltd	14,542	-	-	(14,542)	-
Shimao Property Holdings Ltd	8,489	7,000	-	(15,489)	-
Sino Land Co Ltd	19,453	-	-	(19,453)	-
SJM Holdings Ltd	13,271	16,000	-	(29,271)	-
Standard Chartered Plc	19,902	17,100	-	(37,002)	-
Sun Hung Kai Properties Ltd	7,997	310	-	(8,307)	-
Swire Pacific Ltd	3,996	1,500	-	(5,496)	-
Tencent Holdings Ltd	33,793	-	-	(33,793)	-
WH Group Ltd	26,700	-	-	(26,700)	-
Wharf Holdings Ltd	9,462	1,000	-	(10,462)	-
Wheelock & Co Ltd	5,180	3,000	-	(8,180)	-
Wynn Macau Ltd	-	8,800	-	(8,800)	-

PING AN OF CHINA CSI HK MID CAP SELECT ETF

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

PERFORMANCE RECORD

For the period from 1 January 2016 to 30 December 2016 (date of termination)

Net asset value attributable to unitholders

HK\$

30 December 2016 (date of termination)	-
31 December 2015	<u>29,796,545</u>
31 December 2014	<u>46,512,295</u>

Net asset value per unit

HK\$

30 December 2016 (date of termination) (note 12)	-
31 December 2015 (note 12)	<u>19.8644</u>
31 December 2014 (note 12)	<u>23.2561</u>

Highest and lowest net asset value per unit

	Highest HK\$	Lowest HK\$
Financial period from 1 January 2016 to 30 December 2016 (date of termination)	<u>20.2997</u>	<u>15.6700</u>
Financial year ended 31 December 2015	<u>29.4919</u>	<u>18.2364</u>
Financial year ended 31 December 2014	<u>24.0232</u>	<u>20.6867</u>
Financial year ended 31 December 2013	<u>24.4290</u>	<u>19.2064</u>
Financial period ended 31 December 2012	<u>21.9809</u>	<u>17.1973</u>

PING AN OF CHINA CSI RAFI HK50 ETF
(A SUB-FUND OF PING AN OF CHINA TRUST)

PERFORMANCE RECORD

For the period from 1 January 2016 to 30 December 2016 (date of termination)

Net asset value attributable to unitholders

HK\$

30 December 2016 (date of termination)	-
31 December 2015	<u>43,317,003</u>
31 December 2014	<u>56,792,566</u>

Net asset value per unit

HK\$

30 December 2016 (date of termination) (note 12)	-
31 December 2015 (note 12)	<u>17.3268</u>
31 December 2014 (note 12)	<u>18.9309</u>

Highest and lowest net asset value per unit

	Highest HK\$	Lowest HK\$
Financial period from 1 January 2016 to 30 December 2016 (date of termination)	<u>19.1290</u>	<u>14.2971</u>
Financial year ended 31 December 2015	<u>22.7712</u>	<u>16.3842</u>
Financial year ended 31 December 2014	<u>20.5356</u>	<u>16.4521</u>
Financial year ended 31 December 2013	<u>19.0970</u>	<u>15.8290</u>
Financial period ended 31 December 2012	<u>18.3748</u>	<u>14.7195</u>

**PING AN OF CHINA CSI HK MID CAP SELECT ETF
PING AN OF CHINA CSI RAFI HK50 ETF**

(SUB-FUNDS OF PING AN OF CHINA TRUST)

UNDERLYING INDEX CONSTITUENT STOCKS DISCLOSURE

30 December 2016 (date of termination)

Constituent stocks of more than 10% of the weighting of the respective Underlying Indices as at 30 December 2016 (date of termination) and 31 December 2015 are listed below.

As at 30 December 2016 (date of termination)

The underlying index of Ping An of China CSI HK MID Cap Select ETF, namely CSI Hong Kong Middle Cap Select Index, did not have any constituent stock that accounted for more than 10% of the index as at 30 December 2016 (date of termination).

The Underlying Index of Ping An of China CSI RAFI HK50 ETF, namely RAFI Hong Kong 50 Index consisted of constituent stocks that accounted for more than 10% of the index as at 30 December 2016 (date of termination) as shown below.

	Weighting in index (%)
CSI RAFI Hong Kong 50 Index	
HSBC Holdings PLC	11.63%
China Construction Bank Corp	10.81%

As at 31 December 2015

The Underlying Index of Ping An of China CSI Mid Cap Select ETF is namely CSI Hong Kong Middle Cap Select Index, did not have any constituent stock that accounted for more than 10% of the index as at 31 December 2015.

The Underlying Index of Ping An of China CSI RAFI HK50 ETF, namely CSI RAFI Hong Kong 50 Index, consisted of constituent stocks that accounted for more than 10% of the index as at 31 December 2015 as shown below.

	Weighting in index (%)
CSI RAFI Hong Kong 50 Index	
HSBC Holdings PLC	10.39%
Tencent Holdings Ltd	11.75%