

**CICC-SZSE 100 INDEX TRACKER*,
(A SUB-FUND OF CICC INDEX TRUST*)**

31 December 2013

*** This is a synthetic ETF**

(Stock code: 3051)

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INVESTMENT MANAGER'S REPORT

To the unitholders of CICC-SZSE 100 Index Tracker* ("Fund")

(* This is a synthetic ETF)

The Manager made an application to the Stock Exchange of Hong Kong Limited (the "SEHK") for the cessation of trading of the Units of the Fund on the SEHK which was effective from 9:00 am (Hong Kong time) on 29 June 2012 (the "Trading Cessation Date"). The Fund has ceased trading as from the Trading Cessation Date.

Also, the Manager has applied to the Listing Committee of the SEHK for its approval for the Delisting to be completed following the Termination Date. The SEHK has on 22 June 2012 confirmed that the withdrawal of the listing of the Units of the Fund from the SEHK will be effective at or around the same time of the Deauthorisation of the Fund (the Deauthorisation is subject to the approval of the SFC), which is expected to be around one month after 31 March 2015 or an earlier date when the Fund has settled the PRC capital gain tax ("CGT") liability with the relevant PRC tax authorities. Accordingly, the Fund's listing and authorised status will be maintained until the respective Delisting and Deauthorisation.

As of 28 June 2012, i.e. the Last Trading Day, the Net Asset Value of the Fund and the Net Asset Value per Unit were HK\$5,934,599.84 and HK\$15.8256 respectively.

All Base Securities of the Fund has been liquidated effective on the Trading Cessation Date. Accordingly, from the Trading Cessation Date onwards:

- (a) the Fund will only hold cash;
- (b) the Fund will cease to track the Underlying Index, and will not be able to meet its investment objective of tracking the performance of the Underlying Index; and
- (c) the Units of the Fund will no longer be traded on the SEHK.

Please refer to announcements published on Manager's website and the HKSE website for details.

For and on behalf of the Manager

China International Capital Corporation Hong Kong Asset Management Limited

29 April 2014

TRUSTEE’S REPORT

CICC-SZSE 100 Index Tracker* (“the Fund”), a Sub-fund of CICC Index Trust*

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 18 December 2009, for the year ended 31 December 2013.

For and on behalf of the Trustee

HSBC Institutional Trust Services (Asia) Limited

29 April 2014

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF CICC-SZSE 100 INDEX TRACKER*

Report on the financial statements

We have audited the financial statements of CICC-SZSE 100 Index Tracker* ("the Fund") set out on page 5 to 16, which comprise the statement of financial position as at 31 December 2013, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Manager and the Trustee are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and for such internal control as the Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In addition, the Manager and the Trustee also have responsibility to ensure that the financial statements comply with the relevant disclosure provisions of the Trust Deed and the relevant disclosure requirements set out in Appendix E to the Hong Kong Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission ("the Code").

Auditor's responsibility

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

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2013 and of its transactions and cash flows for the year then ended in accordance with International Financial Reporting Standards.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF CICC-SZSE 100 INDEX TRACKER*

Emphasis of matter

Without qualifying our opinion, we draw attention to notes 1 and 2(b) to the financial statements which state that the Manager, by means of a resolution of the board of directors of the Manager dated 29 May 2012, decided to terminate the Fund and the Trust with the last trading day of the units of the Fund on the Stock Exchange of Hong Kong being 28 June 2012. The Fund liquidated all investments on 29 June 2012 and held cash only afterwards. An interim distribution, which is equal to the net asset value of the Fund as of 29 June 2012, was paid to unitholders in September 2012. The net asset value per unit of the Fund was reduced to HK\$0 after completion of the interim distribution. Accordingly, the Fund is no longer a going concern and its financial statements have been prepared on a break-up basis.

Report on disclosure requirements under the Code

We report that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure requirements set out in the Code.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 April 2014

STATEMENT OF FINANCIAL POSITION

as at 31 December 2013
(Expressed in Hong Kong Dollars)

	Note	2013	2012
Assets			
Cash and cash equivalents	4(c)	\$ 1,853,956	\$ 2,104,394
Total assets		<u>\$ 1,853,956</u>	<u>\$ 2,104,394</u>
Liabilities			
Current taxation	3(c)	\$ 1,265,219	\$ 1,265,219
Accrued expenses and other payables	4(b) & 5	588,737	839,175
Total liabilities		<u>\$ 1,853,956</u>	<u>\$ 2,104,394</u>
Net assets attributable to unitholders		<u>\$ —</u>	<u>\$ —</u>
Total equity		<u>\$ —</u>	<u>\$ —</u>
Number of units in issue	7	<u>375,000</u>	<u>375,000</u>
Net asset value per unit		<u>\$ 0.0000</u>	<u>\$ 0.0000</u>

Approved and authorized for issue by the Trustee and the Manager on 29 April 2014.

The notes on pages 9 to 16 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2013

(Expressed in Hong Kong Dollars)

	Note	2013	2012
Dividend income		\$ —	\$ 81,081
Net gain on investments at fair value through profit or loss		—	217,223
Net foreign exchange loss		—	(2,672)
Net investment gain		<u>\$ —</u>	<u>\$ 295,632</u>
Management fees	4(a)	\$ —	\$ 44,591
Trustee's fees	4(b)	—	439,500
Maintenance and servicing fees	5	—	288,405
Transaction costs		—	79,565
Auditor's remuneration		—	123,900
Legal fee		—	1,940,440
Other operating expenses		—	41,548
Provision for termination related expense and ongoing maintenance	6	—	699,851
Operating expenses		<u>\$ —</u>	<u>\$ 3,657,800</u>
Loss before taxation		<u>\$ —</u>	<u>\$ (3,362,168)</u>
Taxation charged	3(a)	—	(32,600)
Loss and total comprehensive income for the year		<u><u>\$ —</u></u>	<u><u>\$ (3,394,768)</u></u>

The notes on pages 9 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2013

(Expressed in Hong Kong Dollars)

	Note	Share capital	Retained earnings	Total
As at 1 January 2012		\$ 6,891,114	\$ 2,346,154	\$ 9,237,268
Redemption of units		—	—	—
Subscription of units		—	—	—
Interim distribution	8	—	(5,842,500)	(5,842,500)
Loss for the year		—	(3,394,768)	(3,394,768)
		<hr/>	<hr/>	<hr/>
As at 31 December 2012		\$ 6,891,114	\$ (6,891,114)	\$ —
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
As at 1 January and 31 December 2013		\$ 6,891,114	\$ (6,891,114)	\$ —
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 9 to 16 form part of these financial statements.

CASH FLOW STATEMENT

for the year ended 31 December 2013

(Expressed in Hong Kong Dollars)

	2013	2012
Operating activities		
Proceeds from sale of investments, net of withholding tax	\$ —	\$ 10,158,647
Dividend income received, net of withholding tax	—	71,886
Maintenance and servicing fees paid	—	(398,022)
Management fee paid	—	(52,736)
Trustee's fees paid	(46,800)	(509,500)
Transaction costs paid	—	(80,925)
Other operating expenses paid	(203,638)	(2,342,587)
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	\$ (250,438)	\$ 6,846,763
	<hr style="border-top: 1px dashed;"/>	<hr style="border-top: 1px dashed;"/>
Financing activities		
Interim distribution to unitholders	\$ —	\$ (5,842,500)
	<hr/>	<hr/>
Net cash used in financing activities	\$ —	\$ (5,842,500)
	<hr style="border-top: 1px dashed;"/>	<hr style="border-top: 1px dashed;"/>
Net (decrease)/increase in cash and cash equivalents	\$ (250,438)	\$ 1,004,263
Cash and cash equivalents at the beginning of the year	2,104,394	1,100,131
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	\$ 1,853,956	\$ 2,104,394
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The notes on pages 9 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

1 BACKGROUND

CICC-SZSE 100 Index Tracker (“the Fund”) is a sub-fund of CICC Index Trust (“the Trust”). It is an open-ended unit trust governed by its Trust Deed dated 18 December 2009 (“the Trust Deed”), entered into between China International Capital Corporation Hong Kong Asset Management Limited (“the Manager”) and HSBC Institutional Trust Services (Asia) Limited (“the Trustee”). The Fund is authorised by the Hong Kong Securities and Futures Commission (“the SFC”) under Section 104(1) of the Hong Kong Securities and Futures Ordinance (“HKSFO”). The Fund is also listed on The Stock Exchange of Hong Kong Limited (“the SEHK”).

The Fund is an index-tracking collective investment scheme which seeks to track the performance of SZSE 100 Index, which is a diversified index consisting of 100 constituent index shares compiled and managed by the Shenzhen Securities Information Company Limited. The Fund aims to achieve its investment objective by investing in financial derivatives which track the performance of SZSE 100 Index by adopting “synthetic representative” strategy or “synthetic replication” strategy.

Under the prevailing regulations in the People’s Republic of China (“PRC”), foreign investors can invest in the PRC A-shares market through investing in A-share related participatory notes issued by financial institutions which have obtained qualified foreign institutional investor (“QFII”) status.

The Manager, by means of a resolution of the board of directors of the Manager dated 29 May 2012, decided to terminate the Fund and the Trust with the last trading day of the units of the Fund on the SEHK being 28 June 2012. No creation of units in the primary market through a participating dealer was allowed from 29 May 2012 onwards.

The Fund liquidated all investments on 29 June 2012 and held cash only afterwards. An interim distribution, which is equal to the net asset value of the Fund as of 29 June 2012, was paid to unitholders in September 2012. The net asset value per unit of the Fund was reduced to \$0 after completion of the interim distribution.

Under the current general provisions of the PRC Corporate Income Tax Law and published tax circulars, the Fund would be subject to PRC withholding tax at the rate of 10% in respect of its PRC sourced income earned, including capital gains realised on the sales of PRC listed company shares and dividend income derived from PRC listed companies. The Fund has provided PRC taxation rate of 10% on realised gains and dividend income from A-shares participatory notes given that such tax liability payable by QFII would be passed to the Fund.

However the PRC tax authorities have not been reported to have sought to collect such PRC withholding tax on capital gains realised by QFII on the selling of A-shares. The Fund and the Trust will be terminated when the Manager and the Trustee form an opinion that the Fund and Trust cease to have any contingent or actual assets or liabilities (which the Manager and the Trustee expect to take place as soon as practicable after the Long Stop Date when the treatment of the capital gain tax provision has been finalised and settled). Long Stop Date refers to the date falling on or around 31 March 2015 or, if earlier, the date on which final tax decision on the withholding tax is made by the relevant PRC tax authorities and the treatment of capital gain tax has been finalised and settled.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) *Statement of compliance*

The financial statements of the Fund have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), issued by the International Accounting Standards Board (“IASB”), the relevant disclosure provisions of the Trust Deed, and the relevant disclosure requirements of the Hong Kong Code on Unit Trusts and Mutual Funds issued by the SFC. A summary of the significant accounting policies adopted by the Fund is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Fund. There have been no significant changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Fund for the current accounting period in these financial statements.

The Fund has not applied any new standards or Interpretation that is not yet effective for the current accounting period (see note 11).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements

The financial statements are presented in Hong Kong dollars as the subscription and redemption are conducted in Hong Kong dollars. It is rounded to the nearest dollar.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investments are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Accordingly to clause 24.03(a) of the trust deed dated 18 December 2009 governing the Trust and the Fund, at any time one year after the establishment of the Trust and/or any sub-fund, where the aggregate net asset value of all units outstanding under the Trust shall be less than \$500,000,000, or in relation to any sub-fund shall be less than \$500,000,000, the Manager may in its absolute discretion terminate the Trust and/or the sub-fund. The Manager, by means of a resolution of the board of directors of the Manager dated 29 May 2012, decided to terminate the Fund and the Trust with the last trading day of the units of the Fund on the SEHK being 28 June 2012.

The Fund liquidated all investments on 29 June 2012 and held cash only afterwards. An interim distribution, which is equal to the net asset value of the Fund as of 29 June 2012, was paid to unitholders in September 2012. The net asset value per unit of the Fund was reduced to \$0 after completion of the interim distribution.

Accordingly, the Fund is no longer a going concern and the financial statements of the Fund have been prepared on a break-up basis.

In addition, if the provision for termination related expense is insufficient to cover any future costs or any unforeseen expenses if applicable, any shortfall will be borne by the Manager.

(c) Financial instruments

(i) Classification

Investments at fair value through profit or loss are financial assets or financial liabilities which are acquired or incurred principally for the purpose of trading, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Financial assets and financial liabilities under this category are carried at fair value. Changes in the fair value are included in profit or loss in the period in which they arise. Upon disposal or repurchase, the difference between the net sale proceeds or the net payment and the carrying value is included in profit or loss.

Financial liabilities that are not at fair value through profit or loss include accrued expenses and other payables.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) *Financial instruments (continued)*

(ii) **Recognition**

The Fund recognises financial assets and financial liabilities on the date they become a party to the contractual provisions of the instruments.

Purchase of financial assets is recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed its obligations under the contract or the contract is a derivative contract not exempted from the scope of International Accounting Standards 39, *Financial instrument: Recognition and measurement*.

(iii) **Measurement**

Financial instruments are measured initially at fair value (transaction price). Transaction costs of financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all investments are measured at fair value with changes in their fair value recognised in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate.

(iv) **Fair value measurement principles**

The fair value of the investments is based on their quoted market prices at the date of statement of financial position. Financial assets are priced at current bid prices while financial liabilities are priced at current asking prices.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

(v) **Derecognition**

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial asset, the difference between the carrying value of the asset and the consideration received is recognised in profit or loss.

(d) *Cash and cash equivalents*

Cash and cash equivalents comprise of cash at bank only, which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Revenue and expense recognition

Dividend income is recognised when the share price of the underlying securities go ex-dividend. Dividend is presented gross of any non-recoverable withholding taxes, which are disclosed separately in profit or loss.

All expenses, including investment management and custodian fees, are recognised in the statement of comprehensive income on an accrual basis.

(f) Translation of foreign currency

Foreign currency transactions during the year are translated into Hong Kong dollars at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the foreign exchange rates ruling at the date of statement of financial position. Exchange gains and losses are recognised in profit or loss.

(g) Related parties

- (1) A person, or a close member of that person's family, is related to the Fund if that person:
 - (i) has control or joint control over the Fund;
 - (ii) has significant influence over the Fund; or
 - (iii) is a member of the key management personnel of the Fund or the Fund's parent.
- (2) An entity is related to the Fund if any of the following conditions applies:
 - (i) The entity and the Fund are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities 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 controlled or jointly controlled by a person identified in (1).
 - (vi) A person identified in (1)(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).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Units in issue

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Fund has only one class of redeemable units in issue and they are the most subordinate class of financial instrument in the Fund. The redeemable units provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each redemption date and also in the event of the Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Fund's net assets in the event of Fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life 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 Fund over the life of the instrument.

The Fund's units in issue meet these conditions and are classified as equity.

(i) Taxation

Taxation for the year comprises of current tax and movements in deferred tax assets and liabilities.

Current tax and movements in deferred tax assets and liabilities were recognised in profit or loss. Current tax was the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the date of statement of financial position. Current tax also includes non-recoverable withholding taxes on investment income and capital gains.

Deferred tax liabilities arise from taxable temporary differences, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The amounts of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the date of statement of financial position. Deferred tax liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

3 TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Fund is exempted from taxation under section 26A (1A) of the Hong Kong Inland Revenue Ordinance.

Under the current general provisions of the PRC Corporate Income Tax Law and published tax circulars, the Fund would be subject to PRC withholding tax at the rate of 10% in respect of its PRC sourced income earned, including capital gains realised on the sale of PRC listed companies and dividend income derived from PRC listed companies.

On the basis of the available information, the Manager has determined that it is appropriate to provide for PRC taxation at the withholding tax rate of 10% on realised gains and dividend income from A-share related participatory notes, and deferred tax arising from unrealised gains on A-share related participatory notes at the end of the year.

(a) Taxation in the statement of comprehensive income represents:

	2013	2012
Current tax-overseas		
PRC withholding tax charged	\$ —	\$ 42,095
Deferred tax-overseas		
PRC withholding tax credited	—	(9,495)
	<u>—</u>	<u>(9,495)</u>
Taxation charged	\$ —	\$ 32,600
	<u>—</u>	<u>32,600</u>

(b) Deferred tax liabilities in the statement of financial position represent:

	2013	2012
Deferred tax liabilities arising from PRC withholding tax on unrealised gain on investments:		
Balance at the beginning of the year	\$ —	\$ 9,495
Credited to profit or loss	—	(9,495)
	<u>—</u>	<u>(9,495)</u>
Balance at the end of the year	\$ —	\$ —
	<u>—</u>	<u>—</u>

(c) Current taxation in the statement of financial position represent:

	2013	2012
Current taxation arising from PRC withholding tax:		
Balance at the beginning of the year	\$ 1,265,219	\$ 1,265,219
Charged to profit or loss	—	42,095
PRC withholding tax withheld by participatory note issuers:		
– Capital gain	—	(32,900)
– Payment of PRC withholding tax for dividend income	—	(9,195)
	<u>—</u>	<u>(42,095)</u>
Balance at the end of the year	\$ 1,265,219	\$ 1,265,219
	<u>1,265,219</u>	<u>1,265,219</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

4 RELATED PARTY TRANSACTIONS

The following is a summary of transactions with related parties for the year. All such transactions were entered into in the ordinary course of business and on normal commercial terms.

(a) Management fees

The fees payable to the Manager is calculated at the rate of 0.99% per annum of the net asset value of the Fund and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears. The management fees charged by the Manager in respect of the year at the end of the year amounted to \$Nil (2012: \$44,591).

(b) Trustee's fees

The fees payable to the Trustee is calculated at the rate of 0.14% per annum for the first \$800 million of the net asset value, 0.12% per annum for the next \$800 million of the net asset value, and 0.1% per annum for the remaining balance of the net asset value. The trustee fees are subject to a monthly minimum of \$70,000. The trustee fees are accrued daily and calculated as at each Dealing Day and payable in arrears on a monthly basis. After 29 June 2012, the Trustee's fee is revised to \$3,900 per month. The trustee fees charged by the Trustee in respect of the year and payable at the end of the year amounted to \$Nil and \$66,300 (2012: \$439,500 and \$113,100) respectively.

(c) Bank balances

Bank balances are maintained with The Hongkong and Shanghai Banking Corporation Limited ("HSBC"). The bank balances held as at 31 December 2013 amounted to \$1,853,956 (2012: \$2,104,394).

5 MAINTENANCE AND SERVICING FEES

	2013	2012
Maintenance fees	\$ –	\$ 106,540
Servicing fees	–	181,865
	<u>\$ –</u>	<u>\$ 288,405</u>

Maintenance fees are payable to participatory note issuers, calculated at 1.0% to 2.0% per annum of the daily mark-to-market value of all participatory notes held by the Fund. The fees are accrued daily and payable to participatory note issuers quarterly.

Servicing fees are payable to participatory note issuers for managing the participatory notes so issued. The fees are calculated at the range from 1.5% to 3-month LIBOR plus 3.5% per annum of the daily market value of the loaned securities lent to the participatory note issuers. The fees are accrued daily and payable to participatory note issuers monthly.

6 PROVISION FOR TERMINATION RELATED EXPENSE AND ONGOING MAINTENANCE

As of 31 December 2013, the provision for termination related expense and ongoing maintenance is analyzed as follows:

	2013	2012
Trustee's fees	\$ –	\$ 113,100
Audit fees	–	281,000
Legal fees	–	202,494
Others	–	103,257
	<u>\$ –</u>	<u>\$ 699,851</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

7 UNITS IN ISSUE

	2013 Units	2012 Units
Balance at the beginning and the end of the year	<u>375,000</u>	<u>375,000</u>

8 INTERIM DISTRIBUTION

An interim distribution of \$15.58 per unit was paid on 19 September 2012 due to the termination of the Fund.

9 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Manager, by means of resolution of the board of directors of the Manager dated 29 May 2012, decided to terminate the Fund and the Trust with the last trading day of the units of the Fund on the SEHK being 28 June 2012. The Fund liquidated all investments on 29 June 2012 and held cash only afterwards. As the Fund only held Hong Kong dollar cash with HSBC as at 31 December 2013 and 2012 and Standard & Poor's long term Foreign Issuer credit rating of HSBC was A+ as at 31 December 2013 and 2012, the Manager considers the Fund is not exposed to significant financial risks including credit risk, market risk and liquidity risk.

10 FAIR VALUE INFORMATION

All financial instruments are carried at amount not materially different from their fair values as at 31 December 2013 and 2012.

11 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2013

Up to the date of issue of these financial statements, the IASB has issued a few amendments and a new standard which are not yet effective for the year ended 31 December 2013 and which have not been adopted in these financial statements. These include the following which may be relevant to the Fund:

	Effective for accounting period beginning on or after
Amendments to IAS 32, <i>Financial instruments: Presentation</i> – <i>Offsetting financial assets and financial liabilities</i>	1 January 2014

The Fund is in the process of making an assessment of what the impact of this amendment is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Fund's financial statements.

INVESTMENT PORTFOLIO (UNAUDITED)

as at 31 December 2013

The Fund did not hold any investments as at 31 December 2013.

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2013

	Holdings as at 31 December 2011 Units	Additions Units	Disposals Units	Holdings as at 31 December 2012 Units
Participatory notes	804,907	—	804,907	—
	<u>804,907</u>	<u>—</u>	<u>804,907</u>	<u>—</u>
	Holdings as at 31 December 2012 Units	Additions Units	Disposals Units	Holdings as at 31 December 2013 Units
Participatory notes	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

HOLDINGS OF COLLATERAL (UNAUDITED)

as at 31 December 2013

The Fund did not hold any collateral as at 31 December 2013.

PERFORMANCE RECORD (UNAUDITED)

(a) Net asset value

As at financial year ended

31 December 2013	\$	—
31 December 2012	\$	—
31 December 2011	\$	9,237,268
31 December 2010	\$	171,424,567

(b) Net asset value per unit

As at financial year ended

31 December 2013	\$	0.0000
31 December 2012	\$	0.0000
31 December 2011	\$	24.6327
31 December 2010	\$	40.3352

(c) Highest and lowest net asset value per unit

Financial year ended	Highest net asset value per unit	Lowest net asset value per unit
31 December 2013	\$ 0.0000	\$ 0.0000
31 December 2012	\$ 27.8867	\$ 0.0000
31 December 2011	\$ 41.7643	\$ 24.1119
31 December 2010 (since inception)	\$ 44.8900	\$ 29.3985

SZSE 100 INDEX CONSTITUENT STOCK DISCLOSURE (UNAUDITED)

The Fund did not hold any investments at 31 December 2013 and 2012.

**PERFORMANCE OF CICC-SZSE 100 INDEX TRACKER *
AND SZSE 100 INDEX (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2013**

**Performance in Hong Kong dollars
(based on NAV for valuation purposes)
For the period from
1 January 2012 to
29 June 2012
(Note)**

Fund/Index

CICC-SZSE100 Index Tracker *	(36.73)%
SZSE 100 Index	7.03%

Performance is calculated in base currency with unit price to unit price.

Source: China International Capital Corporation Hong Kong Asset Management Limited.

Investors should note that investment involves risks and not all investment risks are predictable. Prices of fund units may go up as well as down and past performance information presented is not indicative of future performance. Investors should refer to the Fund's prospectus (including the full text of the risk factors stated therein) before making any investment decision.

Note: The Fund ceased to track the SZSE 100 Index on 28 June 2012. The Fund set aside a provision of approximately \$1,500,000 on 30 May 2012 for discharging any future costs, charges, expenses claims and demands that the Trustee and the Manager may incur in connection with or arising out of, among others, the on-going maintenance of the Fund and the Trust until the termination date and this contributed to the deviation of the Fund's performance from the SZSE 100 Index performance.

ADMINISTRATION AND MANAGEMENT

Manager

China International Capital Corporation
Hong Kong Asset Management Limited
25th, 29th Floor, One International Finance Centre,
1 Harbour View Street, Central,
Hong Kong

Directors of the Manager

Ms. Cui Chun
Mr. Qian Ruxiang (appointed on 17 October 2013)
Mr. Deng Jun (appointed on 28 October 2013)
Mr. Bao Haimiao (appointed on 28 October 2013)
Ms. Luo Liu Yi (resigned on 17 October 2013)
Mr. Yao Lei (resigned on 28 October 2013)
Ms. Miu Hung, Lucy (resigned on 1 March 2014)

Trustee and Registrar

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

Service Agent

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

Listing Agent

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

Legal Adviser to the Manager

Baker & McKenzie
23rd Floor, One Pacific Place,
88 Queensway,
Hong Kong

Auditor

KPMG
8th Floor, Prince's Building,
10 Chater Road, Central,
Hong Kong