

CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF

Report and Financial Statements

For the period from 1 January 2014 to 23 March 2015
(date of fund termination)

CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2014 TO 23 MARCH 2015
(DATE OF FUND TERMINATION)

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CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF

MANAGEMENT AND ADMINISTRATION

MANAGER

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DIRECTORS OF THE MANAGER

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CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF

REPORT OF THE MANAGER TO THE UNITHOLDERS

INTRODUCTION

The CMS CSI Overseas Mainland Enterprises ETF (the Sub-Fund), a sub-fund of the CMS ETF Trust was launched on 24 October 2011 and was listed and commenced trading on the Stock Exchange of Hong Kong Limited (the "SEHK") on 1 November 2011 under the stock code 2842. The Sub-Fund is a Hong Kong unit trust authorized under the Securities and Futures Ordinance (Cap 571) of Hong Kong.

The Sub-Fund is benchmarked against the CSI Overseas Mainland Enterprises Index which invests in Chinese companies listed on the SEHK (H shares, Red chips and P chips), the New York Stock Exchange, the NASDAQ, the Singapore Stock Exchange and the Toronto Stock Exchange. (HKD) (the "Underlying Index").

FUND PERFORMANCE

The CMS CSI Overseas Mainland Enterprises ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the CSI Overseas Mainland Enterprises Index in Hong Kong dollar ("HKD") terms. As at 23 March 2015 (date of fund termination), the Net Asset Value (NAV) per unit of the Sub-Fund was HKD 0, with nil units outstanding and a total size of HKD 0.

A summary of the performance of the CSI Overseas Mainland Enterprises Index¹ as at 22 January 2015 (Last Trading Day) is given as follows:

	Period from 1 Jan 2014 to 22 Jan 2015 (%)	2013 (%)	Since inception ² (%)
CSI Overseas Mainland Enterprises Index ³	8.95	7.86	29.59
CMS CSI Overseas Enterprise Index NAV-to-NAV ⁴	0.97	5.51	12.84
CMS CSI Overseas Enterprises Index Market-to-Market ⁵	0.0031	7.7	11.48

The difference in performance between the CSI Overseas Mainland Enterprises Index is mainly attributed to fee and expenses, including termination cost, as the fund size is small during the period..

FUND ACTIVITIES

The Sub-Fund has ceased trading on 22 January 2015 (Last Trading Day) and made Final Distribution on 5 February 2015. During the period ended 23 Mar 2015 (date of fund termination), all units in the Sub-fund has been redeemed and cancelled.

¹ Past performance figures shown are not indicative of the future performance of the fund.

² Inception date refers to the date of listing, i.e 1 November 2011.

³ Price index in HKD.

⁴ Unit's NAV in HKD. Units in the Fund are issued and redeemed at the NAV.

⁵ Market closing price in HKD. Market returns are calculated using historical market closing prices of the ETF, and do not represent the returns investors would receive if investors trade units at other time.

Source: CSI, CMS Asset Management and Bloomberg

CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF

INDEX ACTIVITIES

The CSI Overseas Mainland Enterprises Index had three regular reviews during the reporting period. The following changes were made on 8 January 2014, 1 April 2014 and 15 December 2014 respectively. With effect from 16 December 2014, the CSI changed the regular review to the second Friday of June and December, the first change being made on 16 December 2014.

Changes as of 8 January 2014

Inclusion

Company	Bloomberg Code
Perfect World	PWRD US Equity

Deletion

Company	Bloomberg Code
People's Food	PFH SP Equity

Changes as of 1 April 2014

Inclusion

Company	Bloomberg Code
Yuchai International	CYD US Equity

Deletion

Company	Bloomberg Code
Pactera	PACT US Equity

Changes as of 15 December 2014

Inclusion

Company	Bloomberg Code
Fosun Intl	656.HK
HAIER ELEC	1169.HK
ALIBABA GROUP HOLDING	BABA US Equity
JD.com Inc	JD US Equity
Jumei International Holding Ltd	JMEI US Equity

Deletion

Company	Bloomberg Code
Agile	3383.HK
Sun Art	6808.HK
Yuchai International	CYD US Equity
Hollysys	HOLI US Equity
Perfect World	PWRD US Equity

CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the manager, CMS Asset Management (HK) Co., Limited (the "Manager"), of CMS CSI Overseas Mainland Enterprises ETF (the "Sub-Fund") has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 31 August 2011.

Cititrust Limited
28 April 2015

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF
CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF (THE "SUB-FUND")

Report on the Financial Statements

We have audited the accompanying financial statements of the Sub-Fund set out on pages 7 to 38, which comprise the statement of financial position as at 23 March 2015 (date of fund termination), statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Trustee's and Manager's Responsibility for the Financial Statements

The Manager and the Trustee of the Sub-Fund are also responsible for the preparation of these financial statements that give a true and fair view in accordance with International Financial Reporting Standards, 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 are also responsible for preparing the financial statements in accordance with relevant disclosure provisions of the Sub-Fund's Trust Deed dated 31 August 2011 (the "Trust Deed"), as amended, and the relevant financial statement disclosure requirements specified in Appendix E of the Code on Unit Trusts and Mutual Funds (the "Code") issued by the Hong Kong Securities and Futures Commission (the "SFC").

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also required to assess whether the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed, as amended, and the relevant financial statement disclosure requirements specified in Appendix E of the Code.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF
CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF (THE "SUB-FUND") - continued

Report on the Financial Statements - continued

Auditor's Responsibility - continued

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Sub-Fund's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 Sub-Fund as at 23 March 2015 (date of fund termination), and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.

Report on matters under the relevant disclosure provisions of the Trust Deed, as amended, and the relevant financial statement disclosure requirements specific in Appendix E of the Code issued by the SFC

In our opinion, the financial statements of the Sub-Fund have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed, as amended, and the relevant financial statement disclosure requirements specified in Appendix E of the Code issued by the SFC.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 April 2015

CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF

STATEMENT OF FINANCIAL POSITION
AS AT 23 MARCH 2015 (DATE OF FUND TERMINATION)

	NOTES	As at 23.3.2015 (date of fund termination) HKD	As at 31.12.2013 HKD
CURRENT ASSETS			
Investments	8	-	19,209,788
Other receivables		-	730
Bank balances	6(g)	-	483,372
Total current assets		-	19,693,890
CURRENT LIABILITIES			
Management fee payable	6(a)	-	26,669
Trustee fee payable	6(b)	-	70,354
Audit fee payable		-	230,001
Index license fee accrual		-	32,091
Other accounts payable and accruals		-	39,187
Total current liabilities		-	398,302
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	14	-	19,295,588
Capital		-	14,084,742
Retained earnings		-	5,210,846
TOTAL EQUITY		-	19,295,588
REPRESENTED BY:			
Net assets attributable to unitholders		-	19,295,588
Units in issue	10	-	1,500,000
Net asset value per unit		-	12.8637

The accompanying notes are an integral part of these financial statements

CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2014 TO 23 MARCH 2015
(DATE OF FUND TERMINATION)

	NOTES	1.1.2014 to 23.3.2015 (date of fund termination) HKD	1.1.2013 to 31.12.2013 HKD
Income			
Dividend income	6(h)	604,569	713,049
Interest income	6(e)	9	8
		<u>604,578</u>	<u>713,057</u>
Expenses			
Auditor's remuneration		(142,011)	(217,863)
Management fee	6(a)	(127,808)	(119,962)
Trustee fee	6(b)	(339,736)	(279,239)
Custodian fee and bank charges	6(c)	(9,614)	(9,776)
Transaction costs on investments	6(d)	(19,817)	(4,305)
Brokerage commission	6(f)	(13,111)	(2,675)
Index license fee		(133,605)	(125,580)
Legal fee		(778,921)	-
Other expenses		<u>(533,625)</u>	<u>(391,448)</u>
		<u>(2,098,248)</u>	<u>(1,150,848)</u>
Net loss before investment and exchange gain/(loss)		<u>(1,493,670)</u>	<u>(437,791)</u>
Net exchange loss		(1,326)	(511)
Net realised gain on sale of investments		5,530,415	684,144
Net change in unrealised (loss)/gain on investments		(3,538,621)	663,338
Change in adjustment for difference in valuation inputs ¹		-	21,016
		<u>1,990,468</u>	<u>1,367,987</u>
Profit before tax		496,798	930,196
Taxation	7	<u>(50,436)</u>	<u>(63,335)</u>
Profit and total comprehensive income attributable to unitholders for the period/year		<u>446,362</u>	<u>866,861</u>

¹Prior to the application of IFRS 13 from 1 January 2013, the Sub-Fund utilised bid market prices for its listed financial assets in accordance with IAS 39.

The accompanying notes are an integral part of these financial statements

CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE PERIOD FROM 1 JANUARY 2014 TO 23 MARCH 2015
(DATE OF FUND TERMINATION)

	<u>NOTES</u>	<u>Units</u> <u>HKD</u>	<u>Retained</u> <u>earnings</u> <u>HKD</u>	<u>Total</u> <u>HKD</u>
Net assets attributable to unitholders at 1 January 2013 (at bid market prices ¹)		20,019,786	4,343,985	24,363,771
Payments for redemption of units				
- in-kind	15	(5,030,526)	-	(5,030,526)
- cash component and cash redemption	15	(904,518)	-	(904,518)
Net decrease from unit transactions	10	(5,935,044)	-	(5,935,044)
Profit and total comprehensive income for the year		-	866,861	866,861
Net assets attributable to unitholders at 31 December 2013 (at last traded market prices ¹)		14,084,742	5,210,846	19,295,588
Payments for redemption of units				
- cash component and cash redemption	15	(14,084,742)	(5,657,208)	(19,741,950)
Net decrease from unit transactions	10	(14,084,742)	(5,657,208)	(19,741,950)
Profit and total comprehensive income for the period		-	446,362	446,362
Net assets attributable to unitholders at 23 March 2015 (date of fund termination)		-	-	-
			1.1.2014 to 23.03.2015 (date of fund termination)	1.1.2013 to 31.12.2013
Number of units in issue				
Units in issue at the beginning of the period/year			1,500,000	2,000,000
Redemption of units			(1,500,000)	(500,000)
Units in issue at the end of the period/year			-	1,500,000

¹Prior to the application of IFRS 13 from 1 January 2013, the Sub-Fund utilised bid market prices for its listed financial assets in accordance with IAS 39.

The accompanying notes are an integral part of these financial statements

CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2014 TO 23 MARCH 2015
(DATE OF FUND TERMINATION)

	1.1.2014 to 23.3.2015 (date of fund termination) HKD	1.1.2013 to 31.12.2013 HKD
OPERATING ACTIVITIES		
Net profit before tax	496,798	930,196
Adjustments for:		
Dividend income	(604,569)	(713,049)
Interest income	(9)	(8)
Net exchange loss	1,326	511
Net realised gain on sale of investments	(5,530,415)	(684,144)
Net change in unrealised loss/(gain) on investments	3,538,621	(663,338)
Change in adjustment for difference in valuation inputs ¹	-	(21,016)
Operating cash flows before movements in working capital	(2,098,248)	(1,150,848)
Purchase of investments	(2,530,187)	(2,041,766)
Sale of investments	23,731,769	3,512,991
Decrease in other receivables	730	535
Decrease in management fee payable	(26,669)	(33,605)
(Decrease)/increase in trustee fee payable	(70,354)	55,004
(Decrease)/increase in audit fee payable	(230,001)	61,563
(Decrease)/increase in index license fee accrual	(32,091)	874
Decrease in other accounts payable and accruals	(39,187)	(127,538)
CASH GENERATED FROM OPERATING ACTIVITIES	18,705,762	277,210
Dividend received	604,569	713,049
Interest received	9	8
Tax paid	(50,436)	(63,335)
NET CASH GENERATED FROM OPERATING ACTIVITIES	19,259,904	926,932
 CASH USED IN FINANCING ACTIVITY		
Payments for redemption of units	(19,741,950)	(904,518)
Net (decrease)/increase in cash and cash equivalents	(482,046)	22,414
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(1,326)	(511)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	483,372	461,469
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	-	483,372
Analysis of balances of cash and cash equivalents		
Bank balances	-	483,372

¹Prior to the application of IFRS 13 from 1 January 2013, the Sub-Fund utilised bid market prices for its listed financial assets in accordance with IAS 39.

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2014 TO 23 MARCH 2015
(DATE OF FUND TERMINATION)

1. THE SUB-FUND

CMS ETF Trust (the "Trust") is an umbrella unit trust governed by its trust deed dated 31 August 2011 (the "Trust Deed") between the manager, CMS Asset Management (HK) Co., Limited (the "Manager"), and its trustee, Cititrust Limited (the "Trustee"), and authorised by the Securities and Futures Commission of Hong Kong ("SFC") pursuant to section 104(1) of the Securities and Futures Ordinance of Hong Kong.

Prior to 23 March 2015 (date of fund termination), the Trust established one sub-fund, namely CMS CSI Overseas Mainland Enterprises ETF (the "Sub-Fund").

The Sub-Fund, with a date of initial offer on 24 October 2011, commenced trading under the stock code 2842 on the Stock Exchange of Hong Kong Limited ("SEHK") on 1 November 2011.

The objective of the Sub-Fund, an exchange-traded fund ("ETF"), is to provide investment returns that, before fees and expenses, correspond closely to the performance of the CSI Overseas Mainland Enterprises Index (the "Underlying Index"). The Underlying Index consists of securities of People's Republic of China (the "PRC") companies listed on the SEHK, the New York Stock Exchange, the Singapore Stock Exchange and other stock exchanges outside the PRC. The Underlying Index currently consists of 80 constituent securities listed and is compiled and managed by the China Securities Index Co., Ltd. In order to achieve its investment objective, the Sub-Fund will invest directly or indirectly in substantially all the constituent securities of the underlying index in substantially the same weightings (i.e. proportions) as these stocks have in the underlying index it seeks to benchmark.

The financial statements are presented in Hong Kong dollars ("HKD"), which is also the functional currency of the Sub-Fund.

The Hong Kong Securities and Futures Commission approved the withdrawal of the authorisation of the Trust and the Sub-Fund and the SEHK approved the withdrawal of listing of the units of the Sub-Fund from the SEHK with effect from 23 March 2015 (date of fund termination). As explained in note 3 below, all outstanding units in the Sub-Fund have been redeemed and cancelled during the period ended 23 March 2015 (date of fund termination) and the Sub-Funds were terminated on that date.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current period, the Sub-Fund has applied a number of new and revised IFRSs and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB.

The application of the new and revised IFRSs and Interpretations has had no material effect on the amounts reported in the financial statements and/or disclosures set out in these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with IFRSs issued by the International Accounting Standards Board (the "IASB"), 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 (the "Code") issued by the SFC. A distribution statement is not presented because there was no distribution during the period/year.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Sub-Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

As disclosed in the Announcement and Notice of Termination, Voluntary Deauthorisation and Delisting issued by the Manager on 23 March 2015 (the "Termination Announcement"), the termination process of the Trust and the Sub-Fund has been completed.

The Manager has determined to liquidate the Sub-Fund after the final valuation day on 23 March 2015 (date of fund termination). In the opinion of directors, the going concern basis is no longer applicable for the preparation of the financial statements for the period ended 23 March 2015 (date of fund termination). Accordingly, the financial statements have been prepared on a liquidation basis. All assets have been written down to their estimated net realisable value and all known costs have been provided for.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of preparation – continued

Owing to the above change in the basis of preparation in the current year, the comparative amounts for the statement of comprehensive income, statement of financial position, statement of changes in net assets attributable to unitholders, statement of cash flows and the related explanatory notes presented for the period ended 23 March 2015 (date of fund termination) are not entirely comparable with the comparative amounts for the year ended 31 December 2013.

The principal accounting policies are set out below.

Foreign currencies translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates, the functional currency. The performance of the Sub-Fund is measured and reported to the unitholders in HKD. The Manager and the Trustee consider the HKD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in HKD, which is the Sub-Fund's functional and presentation currency.

In preparing the financial statements of the Sub-Fund, foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period/year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period/year in which they arise. Exchange differences arising on the retranslation of non-monetary items that are designated as at fair value through profit or loss are included in profit or loss for the period/year.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Dividend income

Dividend income from investments is recognised when the Sub-Fund's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Sub-Fund and the amount of income can be measured reliably). Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of profit or loss and other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue recognition – continued

Interest income

Interest income from an interest-bearing financial asset is recognised using the effective interest method when it is probable that the economic benefits will flow to the Sub-Fund and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable which is the rate that exactly discounted estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Expenses

All expenses are recognised in profit or loss in the period/year in which they are incurred.

The costs of establishing the Sub-Fund, preparation of the prospectus, seeking and obtaining SFC authorisation as well as the SEHK listing and all initial legal and printing costs in respect of the Sub-Fund had been expensed in the first accounting period of the Sub-Fund.

Taxation

The Sub-Fund currently incurs withholding taxes imposed by certain countries on investment income. Such income is recorded gross before any reduction of withholding taxes in the statement of profit or loss and other comprehensive income. Withholding taxes are shown as a separate line item in the statement of profit or loss and other comprehensive income.

Financial instruments

Financial assets and financial liabilities are recognised when the Sub-Fund becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial assets - continued

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is designated as at FVTPL on initial recognition.

A financial asset is designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Sub-Fund's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss on fair value changes recognised in profit or loss includes exchange difference but excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including other receivables and bank balances) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Sub-Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On the derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated equity is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank. Cash equivalents are short-term, highly liquid investments, with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Sub-Fund are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Sub-Fund after deducting all of its liabilities. Equity instruments issued by the Sub-Fund are recognised at the proceeds received, net of direct issue costs.

The Sub-Fund has redeemable units in issue. This is the most subordinate class of financial instruments issued by the Sub-Fund and, on liquidation of the Sub-Fund the unitholders are entitled to the residual net assets on a pro rata basis, after repayment of the nominal amount of the redeemable units. They rank pari passu in all material respects and have identical terms and conditions. The redeemable units provide unitholders with the right to require redemption for cash at a value proportionate to the unitholder's share in the Sub-Fund's net asset at each redemption date at the Manager's discretion and also in the event of the Sub-Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the Sub-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 Sub-Fund's net assets in the event of the Sub-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 Sub-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 Sub-Fund over the life of the instrument.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial liabilities and equity instruments - continued

Equity instruments - continued

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

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

The Sub-Fund's redeemable units meet the above conditions and are classified as equity.

Incremental costs directly attributable to the issue or redemption of redeemable shares are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost.

The Sub-Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out above to be classified as equity, the Sub-Fund will reclassify them as financial liabilities and measure them at fair value at the date of the reclassification, with any differences from the previous carrying amount recognised in equity.

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

Financial liabilities

Financial liabilities (including audit fee payable, management fee payable, trustee fee payable, index license fee accrual and other accounts payable and accruals) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Sub-Fund derecognises financial liabilities when, and only when, the Sub-Fund's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS

In the application of the Sub-Fund's accounting policies, which are described in note 3, the Manager and the Trustee are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

Critical judgements and estimations in applying accounting policies

The following are critical judgements and estimations that the Manager and the Trustee have made in the process of applying the Sub-Fund's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Functional currency

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

5. SEGMENT INFORMATION

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

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

The Sub-Fund is domiciled in Hong Kong. All of the Sub-Fund's income comes from investments in securities which constitute its tracked index.

The Sub-Fund has no assets classified as non-current assets. The Sub-Fund has portfolios that closely correspond to the security weight and industry weight of the relevant tracked index.

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

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

(a) Management fee

The Manager is entitled to receive a management fee of up to a maximum of 1% per annum of the net asset value of the Sub-Fund. Currently, the Manager levies at the annual rate of 0.55%. Management fees are accrued daily and calculated as at each dealing day and payable monthly in arrears.

In addition, the Manager is entitled to receive a servicing fee calculated at a maximum of 1% per annum of the net asset value of the Sub-Fund. This fee has been waived by the Manager for the financial year ended 31 December 2013 and for the period from 1 January 2014 to 23 March 2015 (date of fund termination).

The management fee incurred during the period was HKD127,808 (2013: HKD119,962). As at 23 March 2015 (date of fund termination), a management fee of HKDnil (2013: HKD26,669) was payable to the Manager.

(b) Trustee fee

The Trustee is entitled to receive a trustee fee at a minimum of not less than USD6,000 per month. The minimum charge of the trustee fee was waived for the first twelve months from the establishment of the Sub-Fund. With effect from 1 November 2012 to 31 October 2013, the minimum charge was agreed to reduce to USD3,000 per month. Trustee fee is currently charged at the rate of 0.11% per annum, up to a maximum of 1% per annum, of the net asset value of the Sub-Fund. Trustee fee is accrued daily and calculated as at each dealing day and payable monthly in arrears.

The trustee fee incurred during the period was HKD339,736 (2013: HKD279,239). As at 23 March 2015 (date of fund termination), a trustee fee of HKDnil (2013: HKD70,354) was payable to the Trustee.

6. TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR CONNECTED PERSONS - continued

(c) Custodian fee and bank charges

Custodian fee and bank charges pertain to the miscellaneous amounts charged by Citibank, N.A. (the "Custodian"), the direct holding company of the Trustee, to the Sub-Fund as safekeeping fees.

The custodian fee and bank charges incurred during the period was HKD9,614 (2013: HKD9,776). These were fully repaid as at 23 March 2015 (date of fund termination) and 31 December 2013.

(d) Transaction costs on investments

Cititrust Limited is entitled to charge a transaction handling fee for the sale and purchase of the investments of the Sub-Fund of HKD15,000 per participating dealer and HKD250 per security per participating dealer for in-kind transactions and in-cash transactions respectively. The transaction costs and any duties and charges in constituting the relevant basket(s) are charged to the participating dealer.

The transaction handling fees incurred from rebalancing transactions during the period were HKD19,817 (2013: HKD4,305). These were fully repaid by the Sub-Fund as at 23 March 2015 (date of fund termination) and 31 December 2013.

(e) Bank interest income and expenses

The bank balances of the Sub-Fund were maintained with the Custodian, and carried interest at normal commercial rates. During the period, interest income amounting to HKD9 (2013: HKD8) was earned by the Sub-Fund.

(f) Brokerage commission

The Sub-Fund utilises the trading services of China Merchants Securities (HK) Co., Ltd, an affiliate of the Manager, and Citigroup Global Markets Asia Limited, an affiliate of the Trustee, in its purchase and sale of investments. The details of the transactions and the brokerage commission are shown below:

The brokers charge a commission (excluding stamp duty) on each purchase and sale of each security acquired for the account of the Sub-Fund. The commission is an expense borne by the Sub-Fund.

6. TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR CONNECTED PERSONS - continued

(f) Brokerage commission - continued

For the period from 1 January 2014 to 23 March 2015 (date of fund termination)

	Value of transactions effected through broker HKD	% of total transaction value in the Sub-Fund	Brokerage commission HKD	Average rate of commission
China Merchants Securities (HK) Co., Ltd	18,214,375	0.70%	9,107	0.05%
Citigroup Global Markets Asia Limited	8,007,571	0.30%	4,004	0.05%

For the year ended 31 December 2013

	Value of transactions effected through broker HKD	% of total transaction value in the Sub-Fund	Brokerage commission HKD	Average rate of commission
China Merchants Securities (HK) Co., Ltd	2,886,555	0.54%	1,443	0.05%
Citigroup Global Markets Asia Limited	2,463,107	0.46%	1,232	0.05%

(g) Bank balances

As at 23 March 2015 (date of fund termination) and 31 December 2013, bank balances which were held with the Custodian, Citibank, N.A., the direct holding company of the Trustee, and are summarised below:

	As at 23.3.2015 (date of fund termination) HKD	As at 31.12.2013 HKD
Cash at bank	-	483,372

Cash at bank held with Citibank N.A. carried interest at normal commercial rates.

6. TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR CONNECTED PERSONS - continued

(h) Investments and dividend income

During the period, the Sub-Fund invested in the stocks of the fellow subsidiary of the Manager, China Merchants Holdings (International) Company Limited and the associate of the ultimate holding company of the Manager, China Merchants Bank Co., Ltd. Dividend income earned during the period from China Merchants Holdings (International) Company Limited and China Merchants Bank Co., Ltd. are HKD 3,075 (2013: HKD3,884) and HKD 10,941 (2013: HKD12,732) respectively. The dividend income from both investments were fully received during the period.

(i) Holdings in the Sub-Fund

China Merchants Securities Investment Management (HK) Co., Limited did not hold any percentage (2013: 100%) in value of the units of the Sub-Fund. The Manager and China Merchants Securities Investment Management (HK) Co., Limited are fellow subsidiaries, both are held by China Merchants Securities International Co., Limited.

7. TAXATION

No provision for Hong Kong Profits Tax has been made for the Sub-Fund as the bank interest income, dividend income and realised gain on sale of investments of the Sub-Fund are excluded from the charge to profits tax under Section 14, Section 26 or Section 26A of the Hong Kong Inland Revenue Ordinance.

Distribution tax

A 10% PRC withholding tax has been levied on dividend and interest payments from PRC-incorporated companies to foreign investors. Dividend income is recorded gross of withholding taxes.

8. INVESTMENTS

	As at 23.3.2015 (date of fund termination) HKD	As at 31.12.2013 HKD
Listed equities in Canada	-	10,684
Listed equities in Hong Kong	-	16,063,161
Listed equities in Singapore	-	119,627
Listed equities in USA	-	3,016,316
	-	19,209,788

8. INVESTMENTS - continued

The Sub-Fund designated its investments at fair value through profit or loss upon initial recognition as it managed these securities on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these securities were on a fair value basis.

The fair value of listed equities with standard terms and conditions and traded on active liquid markets were determined with reference to last traded market prices where the prices were within the bid-ask spread at the reporting date.

Prior to the application of IFRS 13 from 1 January 2013, the Sub-Fund utilised bid market prices for its listed financial assets in accordance with IAS 39.

9. DISTRIBUTIONS

The Sub-Fund has made final distribution of HKD13.1613 per unit during the period/year ended 23 March 2015 (date of fund termination) and 31 December 2013.

10. ISSUED CAPITAL

	Number of <u>units</u>	Issued <u>capital</u> HKD
Balance at 1 January 2013	2,000,000	20,019,786
Redemption of units	<u>(500,000)</u>	<u>(5,935,044)</u>
Balance at 31 December 2013	1,500,000	14,084,742
Redemption of units	<u>(1,500,000)</u>	<u>(14,084,742)</u>
Balance at 23 March 2015 (date of fund termination)	<u>-</u>	<u>-</u>

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

The Trustee 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.

11. SOFT COMMISSION ARRANGEMENTS

The Manager and any of its connected persons may affect transactions by or through the agency of another person with whom the Manager or any of its connected persons have a soft commission arrangement. Under such arrangements, that party will from time to time provide to or procure for the Manager or any of its connected persons, goods, services or other benefits. The nature of their provision can reasonably be expected to benefit the Sub-Fund as a whole and may contribute to an improvement in the Sub-Fund's performance. No direct payment is made for the provision of goods, services or other benefits to that party, but instead the Manager or any of its connected persons undertake to place business with that party.

The Manager and its connected persons did not receive any soft commissions or entered into any soft dollar arrangements in respect of the management of the Sub-Fund for the period/year ended 23 March 2015 (date of fund termination) and 31 December 2013. The Manager and its connected persons have not retained any cash rebates from any broker or dealer.

12. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE CODE

The Manager pursues a replication strategy for the Sub-Fund. As a result, the Sub-Fund invests directly or indirectly in substantially all the constituent securities of the Underlying Index in approximately the same weightings (i.e. proportions) as these stocks have in the Underlying Index it seeks to benchmark. When a security ceases to be a constituent security of the Underlying Index, rebalancing, which involves selling the outgoing security and using the proceeds to acquire the incoming security, occurs.

Pursuant to the SFC guidelines for regulating Index Tracking Exchange Traded Funds, more than 10% of the net asset value of the Sub-Fund may be invested in constituent securities issued by a single issuer provided that:

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

There was no constituent stock that accounted for more than 10% of the net asset value of the Sub-Fund and its respective weightings in the Underlying Index as at 23 March 2015 (date of fund termination) and 31 December 2013.

13. FINANCIAL INSTRUMENTS

Capital management

The Sub-Fund's capital is represented by the number of redeemable units issued at each period/year end. As at 23 March 2015 (date of fund termination), net assets attributable to redeemable unitholders that are classified as equity amounted to HKDnil (2013: HKD19,295,588).

The Manager manages the capital of the Sub-Fund in accordance with the Sub-Fund's investment objectives and policies stated in the offering document. There were no changes in the policies and procedures during the period with respect to the Manager's approach to capital management of the Sub-Fund.

The Sub-Fund is not subject to any internally and externally imposed capital requirements and, therefore, is not subject to significant capital risk.

The Sub-Fund's redeemable units entitle their holders to dividends when declared and to payment of a proportionate share of the Sub-Fund's net asset value on redemption or upon the winding up of the Sub-Fund. The total expected cash outflow on redemption of all the Sub-Fund's units equals the Sub-Fund's equity.

Categories of financial instruments

The table below provides a reconciliation of the line items in the Sub-Fund's statement of financial position to the categories of financial instruments as mentioned in note 3.

As at 23 March 2015 (date of fund termination)

	Designated at fair value through profit or loss HKD	Loans and receivables HKD	Financial liabilities HKD	Total carrying amount HKD
Financial assets				
Investments	-	-	-	-
Other receivables	-	-	-	-
Bank balances	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities				
Management fee payable	-	-	-	-
Trustee fee payable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

13. FINANCIAL INSTRUMENTS – continued

Categories of financial instruments - continued

As at 31 December 2013

	Designated at fair value through profit or loss HKD	Loans and receivables HKD	Financial liabilities HKD	Total carrying amount HKD
Financial assets				
Investments	19,209,788	-	-	19,209,788
Other receivables	-	730	-	730
Bank balances	-	483,372	-	483,372
	<u>19,209,788</u>	<u>484,102</u>	<u>-</u>	<u>19,693,890</u>
Financial liabilities				
Management fee payable	-	-	(26,669)	(26,669)
Trustee fee payable	-	-	(70,354)	(70,354)
	<u>-</u>	<u>-</u>	<u>(97,023)</u>	<u>(97,023)</u>

14. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Redeemable units of the Sub-Fund, which is represented by assets less liabilities, are classified as equity. For the purpose of determining the net asset value per unit for subscriptions and redemptions and for various fee calculations, the net asset value which is calculated in accordance with the provisions of the Sub-Fund's Trust Deed (the "Dealing NAV") may be different from the accounting policies under IFRS.

The Sub-Fund applied IFRS 13 from 1 January 2013. As a result, there is no difference between net assets attributable to unitholders calculated in accordance with the Sub-Fund's Trust Deed and net assets attributable to unitholders calculated in accordance with IFRSs. The net asset value per unit as at period ended 23 March 2015 (date of fund termination) is HKDnil.

15. MAJOR NON-CASH TRANSACTIONS

Units are issued/redeemed through in-kind creation/redemption of a basket with the remaining balances in cash. For each application unit size for creation/redemption, the Sub-Fund receives/delivers a basket consisting of constituent securities as determined by the Manager on a daily basis.

(a) Subscriptions

During the period ended 23 March 2015 (date of fund termination) and year ended 31 December 2013, the Sub-Fund did not issue any units.

(b) Redemptions

During the period, the Sub-Fund redeemed 1,500,000 units (2013: 500,000 units), totalling HKD19,741,950 (2013: HKD5,935,044). All outstanding units in the Sub-Fund have been redeemed and cancelled during the period ended 23 March 2015 (date of fund termination) and the Sub-Funds were terminated on that date.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Manager and the Trustee and authorised for issue on 28 April 2015.

CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS FOR THE PERIOD FROM 1 JANUARY 2014 TO 23 MARCH 2015 (DATE OF FUND TERMINATION)

Security name and location of exchange	Holdings as at 1.1.2014	Additions	Corporate action	Disposals	Holdings as at 23.3.2015 (date of fund termination)
LISTED EQUITIES					
<u>CANADA</u>					
SILVERCORP METALS INC COM NPV	600	-	-	600	-
<u>HONG KONG</u>					
AGILE PROPERTY HOLDINGS LTD	4,572	-	-	4,572	-
AGRICULTURAL BK CH 'H' CNY1	79,416	-	-	79,416	-
BANK OF CHINA LTD - H 'H' CNY1	269,034	-	-	269,034	-
BANK OF COMMUNICATIONS - H 'H' CNY1.00	34,029	-	-	34,029	-
BEIJING ENTERPRISES HLDGS	1,926	-	-	1,926	-
BELLE INTERNATIONAL HOLDINGS HKD0.01	17,160	-	-	17,160	-
BRILLIANCE CHINA AUTOMOTIVE	9,600	-	-	9,600	-
CHINA CINDA ASSET MANAGEME-H	-	22,152	-	22,152	-
CHINA CITIC BANK CORP LTD-H	28,761	-	-	28,761	-
CHINA COMMUNICATIONS CONST-H 'H' CNY1	14,943	-	-	14,943	-
CHINA CONSTRUCTION BANK-H	307,815	-	-	307,815	-
CHINA GAS HOLDINGS LTD HKD0.01	-	7,914	-	7,914	-
CHINA LIFE INSURANCE CO-H 'H' CNY1	23,964	-	-	23,964	-
CHINA MENGNIU DAIRY CO HKD0.1	4,731	-	-	4,731	-
CHINA MERCHANTS BANK - H CHINA MERCHANTS	15,567	-	-	15,567	-
CHINA MERCHANTS HLDGS INTL	4,293	-	-	4,293	-
CHINA MINSHENG BANKING-H	18,600	-	3,720	22,320	-
CHINA MOBILE (HK) LTD	19,482	-	-	19,482	-
CHINA OVERSEAS LAND & INVEST	13,179	-	-	13,179	-
CHINA PACIFIC INSURANCE GR-H 'H' CNY1	8,496	-	-	8,496	-
CHINA PETROLEUM & CHEMICAL-H	82,055	-	-	82,055	-
CHINA RESOURCES CEMENT	6,000	-	-	6,000	-
CHINA RESOURCES ENTERPRISE	4,089	-	-	4,089	-
CHINA RESOURCES GAS GROUP LT HKD0.10	-	2,817	-	2,817	-
CHINA RESOURCES LAND LTD SHS	7,608	-	-	7,608	-
CHINA RESOURCES POWER HOLDIN HKD1	6,450	-	-	6,450	-
CHINA SHENHUA ENERGY CO - H 'H' CNY1	10,905	-	-	10,905	-
CHINA STATE CONSTRUCTION INT HKD0.1	6,000	-	-	6,000	-
CHINA TELECOM CORP LTD SHS H	44,760	-	-	44,760	-
CHINA UNICOM HONG KONG LTD	22,089	-	-	22,089	-
CITIC PACIFIC COMMON	6,024	-	-	6,024	-
CNOOC LTD HKD0.02	57,408	-	-	57,408	-
COUNTRY GARDEN HOLDINGS CO HKD0.10	30,000	-	-	30,000	-
DONGFENG MOTOR GRP CO LTD-H	9,750	-	-	9,750	-
ENN ENERGY HOLDINGS LTD	3,000	-	-	3,000	-
EVERGRANDE REAL ESTATE GROUP USD0.01	20,604	-	-	20,604	-
GCL POLY ENERGY HOLDINGS LTD	25,800	-	-	25,800	-
GUANGDONG INVESTMENT LTD	8,400	-	-	8,400	-
HENGAN INTL GROUP CO LTD HKD0.1	2,838	-	-	2,838	-
IND & COMM BK OF CHINA-H	224,307	-	-	224,307	-
KUNLUN ENERGY COMPANY LTD	10,335	-	-	10,335	-
LENOVO GROUP LTD	19,932	-	-	19,932	-
LONGFOR PROPERTIES	5,442	-	-	5,442	-
NINE DRAGONS PAPER HOLDINGS	6,324	-	-	6,324	-
PETROCHINA CO LTD-H	67,764	-	-	67,764	-
PICC PROPERTY & CASUALTY -H 'H' CNY1	9,990	-	-	9,990	-
PING AN INSURANCE GROUP CO-H 'H' CNY1	6,981	-	-	6,981	-
SHANGHAI INDUSTRIAL ORD SHS	1,815	-	-	1,815	-
SHIMAO PROPERTY HOLDINGS LTD HKD0.10	4,614	-	-	4,614	-
SUN ART RETAIL GRO HKD0.30	9,600	-	-	9,600	-
TENCENT HOLDINGS LTD ORD HKD0.0001	3,591	-	13,644	17,235	-
TINGYI (CAYMAN ISLN) HLDG CO	7,554	-	-	7,554	-
WANT WANT CHINA HOLDINGS LTD	25,578	-	-	25,578	-

CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS - continued FOR THE PERIOD FROM 1 JANUARY 2014 TO 23 MARCH 2015\ (DATE OF FUND TERMINATION)

<u>Security name and location of exchange</u>	<u>Holdings as at 1.1.2014</u>	<u>Additions</u>	<u>Corporate action</u>	<u>Disposals</u>	<u>Holdings as at 23.3.2015 (date of fund termination)</u>
LISTED EQUITIES - continued					
<u>SINGAPORE</u>					
COSCO INVESTMENT (S) LTD	4,200	-	-	4,200	-
LIONGOLD CORP LTD LIONGOLD CORP LTD	2,250	-	-	2,250	-
PEOPLE'S FOOD HLDGS LTD	2,250	-	(2,250)	-	-
YANGZIJIANG SHIPBUILDING NPV	9,000	-	-	9,000	-
YANLORD LAND GROUP LTD NPV	2,100	-	-	2,100	-
<u>UNITED STATES</u>					
21VIANET GROUP INC-ADR 21VIANET GROUP IN	150	-	-	150	-
58.COM INC-ADR 58.COM INC-ADR	-	105	-	105	-
AIR CHINA LTD-A 'A' CNY1	39	-	39	78	-
ALIBABA GROUP HOLDING-SP ADR BABA	-	2,160	-	2,160	-
AUTOHOME INC-ADR ADR EACH REPR 1 ORD	-	66	-	66	-
BAIDU.COM - ADR SPON ADR REP A	1,137	-	-	1,137	-
CHANGYOU.COM LTD-ADR SPON ADS REP 2 CL A	39	-	-	39	-
CHINA LODGING GROUP-SPON ADS CHINA LODGI	99	-	-	99	-
CHINA YUCHAI INTL LTD COM USD0.10	-	48	-	48	-
CTRIIP.COM INTERNATIONAL-ADR ADS EA REP 1	441	-	-	441	-
GIANT INTERACTIVE GROUP-ADR ADR EACH REP	432	-	-	432	-
HOLLYSYS AUTOMATION TECHNOLO COM STK USD0.0001	-	120	-	120	-
HOME INNS & HOTELS MANAG-ADR	78	-	-	78	-
JD.COM INC-ADR JD.COM INC-ADR	-	2,100	-	2,100	-
MINDRAY MEDICAL INTL LTD-ADR SPON ADR EA	327	-	-	327	-
NETEASE INC-ADR	252	-	-	252	-
NEW ORIENTAL EDUCATIO-SP ADR SPONS ADR E	501	-	-	501	-
PACTERA TECHNOLOGY INTERNATIONAL LTD	246	-	(246)	-	-
PERFECT WORLD CO-SPON ADR ADR EACH REPR 5 COM CLS'B'S	-	150	-	150	-
QIHOO 360 TECHNOLOGY CO-ADR	285	-	-	285	-
QUNAR CAYMAN ISLANDS LTD-ADR SPONS ADR REPR B ORD SHS	-	108	-	108	-
RENREN INC-ADR SPON ADR EA REPR 3 CL A	660	-	-	660	-
SHANDA GAMES LTD-ADR ADR EACH REP 2 SHS	324	-	-	324	-
SINA CORP ORD	225	-	-	225	-
SOHU COM INC COM	102	-	-	102	-
SOUFUN HOLDINGS LTD-ADR	99	-	396	495	-
TAL EDUCATION GROUP- ADR ADS EA REPR 2 C	75	-	-	75	-
VIPSHOP HOLDINGS LTD - ADS SPON ADR EA R	105	-	945	1,050	-
WUXI PHARMATECH INC-ADR ADR EACH REPR 8	240	-	-	240	-
YOUKU TUDOU INC	426	-	-	426	-
YY INC-ADR ADS EA REPR 20 ORD CL'A'	51	51	-	102	-
RIGHTS					
<u>HONG KONG</u>					
PICC PROPERTY & CASUALTY-RIGHTS 02DEC14	-	-	899	899	-

CMS CSI OVERSEAS MAINLAND ENTERPRISES ETF

PERFORMANCE RECORD

FOR THE PERIOD FROM 1 JANUARY 2014 TO 23 MARCH 2015

(DATE OF FUND TERMINATION)

1. NET ASSET VALUE (CALCULATED IN ACCORDANCE WITH THE SUB-FUND'S TRUST DEED)

	Net asset value HKD	Net asset value per unit HKD
At the end of financial period 23 March 2015 (date of fund termination)	-	-
At the end of financial year 31 December 2013	19,295,588	12.8637
At the end of financial period 31 December 2012	24,384,787	12.1924

2. HIGHEST AND LOWEST NET ASSET VALUE PER UNIT

	Highest net asset value per unit HKD	Lowest net asset value per unit HKD
Financial period ended 23 March 2015 (date of fund termination)	13.9295	11.3703
Financial year ended 31 December 2013	13.3003	10.2819
Financial period ended 31 December 2012	12.7426	10.5663

3. COMPARISON OF THE SUB-FUND'S PERFORMANCE AND THE ACTUAL INDEX PERFORMANCE

The table below illustrates the comparison between the Sub-Fund's performance (calculated in accordance with the Sub-Fund's Trust Deed) and that of the Underlying Index for the financial period ended 23 March 2015 (date of fund termination):

	Sub-fund's performance	Underlying Index's performance
From 1 January 2014 to 23 March 2015 (date of fund termination) based on Final Distribution of HKD13.1613 per unit	2.31%	7.88%
From 1 January 2013 to 31 December 2013	5.51%	7.86%
From 24 October 2011 (date of initial offer) to 31 December 2012	9.24%	13.84%