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**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER\***  
**(\* THIS IS A SYNTHETIC ETF)**  
**(A SUB-FUND OF DCI ETF TRUST ESTABLISHED IN HONG KONG)**

## **ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2014**



**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER\* (THIS IS A SYNTHETIC ETF)  
(A SUB-FUND OF DCI ETF TRUST ESTABLISHED IN HONG KONG)**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER\* (THIS IS A SYNTHETIC ETF)  
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**MANAGEMENT AND ADMINISTRATION  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**Directors of the Manager**

Mr. Cao XiongFei (Resigned on 19 Nov 2014)  
Mr. Chen ShangQian (Resigned on 19 Nov 2014)  
Ms. Liu CaiHui (Resigned on 12 Jan 2014)  
Mr. Yang ChunMing (Resigned on 10 Mar 2015)  
Mr. Deng ShaoYong  
Ms. Du Peng  
Mr. Xiao Bing  
Ms. Qiu Jin (Appointed on 19 Nov 2014)  
Mr. Zhong MingYuan (Appointed on 19 Nov 2014)  
Mr. Luo DengPan (Appointed on 10 Mar 2015)

**Manager**

Da Cheng International Asset Management  
Company Limited  
Room 5811  
Two International Finance Centre  
8 Finance Street  
Central, Hong Kong

**Trustee**

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

**Listing Agent**

China Merchants Securities (HK) Co., Limited  
48/F, One Exchange Square  
Central  
Hong Kong

**Service Agent**

HK Conversion Agency Services Limited  
2/F, Infinitus Plaza  
199, Des Voeus Road Central  
Hong Kong

**Registrar**

Computershare Hong Kong Investor Services Limited  
46/F, Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

**Auditor**

PricewaterhouseCoopers  
21/F, Edinburgh Tower  
15 Queen's Road Central  
Hong Kong

**Legal Counsel to the Manager**

Simmons & Simmons  
13/F, One Pacific Place  
88 Queensway  
Hong Kong

## REPORT OF THE MANAGER TO THE UNITHOLDERS

### DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER<sup>\*</sup> (\*THIS IS A SYNTHETIC ETF) (A SUB-FUND OF DCI ETF TRUST ESTABLISHED IN HONG KONG)

#### Fund performance

Da Cheng CSI China Mainland Consumer Tracker<sup>\*</sup> (\*This is a synthetic ETF) (the “CSI China Mainland Consumer ETF”) seeks to provide investment results, before fees and expenses, closely correspond to the performance of the CSI China Mainland Consumer Index (the “Index”) in Hong Kong dollar (“HKD”) terms. As of 31 December 2014, the net asset value (“NAV”) per unit of the CSI China Mainland Consumer ETF was HKD 9.55 with a total of 1,500,000 units outstanding, aggregating a total asset size of approximately HKD 14,328,005.

A summary of the performance of the CSI China Mainland Consumer ETF<sup>1</sup> is given below (as at 31 December 2014).

	2014	2013	2012	2011	Since Inception <sup>2</sup>
CSI China Mainland Consumer Price Index <sup>3</sup>	15.966%	7.392%	0.752%	-19.065%	9.304%
CSI China Mainland Consumer Total Return Index <sup>4</sup>	19.326%	10.106%	2.537%	-18.241%	15.458%
CSI Mainland China Consumer ETF NAV-to-NAV <sup>5</sup>	3.944%	5.506%	-4.075%	-17.379%	2.597%
CSI Mainland China Consumer ETF Market-to-Market <sup>6</sup>	5.143%	-3.101%	2.847%	-21.607%	-7.113%

Source: Da Cheng International Asset Management Ltd., Bloomberg

The difference in performance between CSI China Mainland Consumer Index and DCI China Consumer ETF is mainly attributed to fees and expenses, and a different currency exchange rate used for fund valuation and index calculation.

<sup>1</sup> Past performance figures shown are not indicative of the future performance of the fund.

<sup>2</sup> Inception date is 15 July 2010.

<sup>3</sup> Price Index in RMB. An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.

<sup>4</sup> Total Return Index in Renminbi (“RMB”). Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of dividends and distributions.

<sup>5</sup> Unit’s NAV in HKD. Units in the fund are issued and redeemed at NAV and the fund’s returns have been calculated from NAV.

<sup>6</sup> Market closing price in HKD. Market returns are calculated using historical market closing prices of the ETF, and do not represent the returns you would receive if you trade units at other times.



**REPORT OF THE MANAGER TO THE UNITHOLDERS (CONTINUED)**

**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER\* (THIS IS A SYNTHETIC ETF)  
(A SUB-FUND OF DCI ETF TRUST ESTABLISHED IN HONG KONG)**

**Fund activities**

Since the CSI China Mainland Consumer ETF listed on the Stock Exchange of Hong Kong on 15 July 2010, it continued to attract great interest in the consumer sector of the A share market from investors. As at 31 December 2014, there were 1,500,000 units outstanding.

**Index activities**

The CSI China Mainland Consumer Index underwent one regular annual review and one regular semi-annual review during the end of the year of 2014.

As at 31 December 2014, the CSI China Mainland Consumer ETF had exposure to all 50 index constituents indirectly.

**Market overview**

As at 31 December 2014, the return of CSI China Mainland Consumer Index and the CSI China Mainland Consumer ETF were 15.97% and 3.944%, respectively in 2014. The currency return of the Chinese Renminbi (RMB) against Hong Kong Dollar (HKD) was approximately -2.43%.

Compared to the return of 51.66% in CSI 300 Index, the CSI China Mainland Consumer Index underperformed in the Chinese A-share market. The main reasons for the underperformance are: (1) although China macro economy remained depressed, the loosen monetary policy has stimulated the market enthusiasm of the financial and real estate sector and other large blue chip stocks; (2) the consumption still remained depressed because of the anti-corruption campaign launched by the central government.

In the coming years, based on continuous growth in per capita disposable income, domestic consumption may be the key growth area for the Chinese economy.



## REPORT OF THE TRUSTEE TO THE UNITHOLDERS

### DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER\* (THIS IS A SYNTHETIC ETF) (A SUB-FUND OF DCI ETF TRUST ESTABLISHED IN HONG KONG)

We hereby confirm that, in our opinion, the Manager of Da Cheng CSI China Mainland Consumer Tracker\* (this is a synthetic ETF), has, in all material respect, managed the fund in accordance with the provisions of the Trust Deed dated 24 June 2010, as amended, for the year ended 31 December 2014.

For and on behalf of  
BOCI-Prudential Trustee Limited

28 April 2015

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER\*  
(\*THIS IS A SYNTHETIC ETF)  
(A SUB-FUND OF DCI ETF TRUST ESTABLISHED IN HONG KONG)**

We have audited the financial statements of Da Cheng CSI China Mainland Consumer Tracker<sup>\*</sup> (This is a synthetic ETF) (the "Fund"), a sub-fund of DCI ETF Trust, set out on pages 7 to 33, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Trustee and the Manager (the "Management") of the Fund is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and are responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 29 October 2014, as amended (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code"), and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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 of the Fund has been properly prepared, in all material respects, in accordance with relevant disclosure provisions of the Trust Deed and the SFC Code.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Fund'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 Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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



**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER\*  
(\*THIS IS A SYNTHETIC ETF) (CONTINUED)  
(A SUB-FUND OF DCI ETF TRUST ESTABLISHED IN HONG KONG)**

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2014, and of its financial transactions and cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Emphasis of Matter**

We draw attention to Note 4 to these financial statements, which indicates that the Management considers that the enforcement of PRC tax on gains on A shares is uncertain as at the date of approval of these financial statements and the Management has exercised significant judgment in their assessment of whether the potential tax charge could affect the valuation of the A Share Linked Products ("ALPs") held by the Fund as at 31 December 2014. Our opinion is not qualified in respect of this matter.

**Other Matters**

This report, including the opinion, has been prepared for and only for 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.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.



**PricewaterhouseCoopers**  
Certified Public Accountants

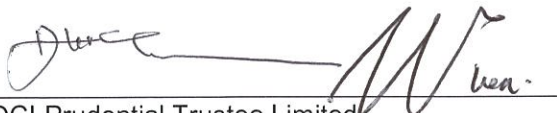
Hong Kong, 28 April 2015

**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER\* (THIS IS A SYNTHETIC ETF)  
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**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014**

	Note	2014 HK\$	2013 HK\$
<b>Assets</b>			
<b>Current assets</b>			
Investments	3.1, 3.2, 8.6	14,048,671	13,132,935
Cash and cash equivalents	3.2, 8.5	733,116	146,632
Prepayments and other receivables		48,225	229,717
Receivable from the Manager	8.1	345,929	757,346
Due from brokers	3.2	1,558,541	-
<b>Total assets</b>		<u>16,734,482</u>	<u>14,266,630</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Maintenance fee payable	8.3	321,482	273,209
Transaction costs payable	8.4	27,000	600
Securities lending expenses payable	3.2	26,060	67,725
Other payables		140,882	140,742
Due to brokers	3.2	1,891,053	-
<b>Total liabilities</b>		<u>2,406,477</u>	<u>482,276</u>
<b>Net assets attributable to unitholders</b>		<u>14,328,005</u>	<u>13,784,354</u>

Approved by the Trustee and the Manager on 28 April 2015.



BOCI-Prudential Trustee Limited  
as the Trustee of the Trust



Da Cheng International Asset Management  
Limited as the Manager of the Trust



**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER\* (THIS IS A SYNTHETIC ETF)  
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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 HK\$	2013 HK\$
<b>Income</b>			
Net gains on investments	6	1,560,913	1,339,440
Dividend income		315,908	311,120
Other (losses)/gains		(4,107)	2,721
<b>Total net income</b>		<u>1,872,714</u>	<u>1,653,281</u>
<b>Expenses</b>			
Management fee	8.1	(127,778)	(116,287)
Maintenance fee	8.3	(48,273)	(45,725)
Transaction costs	8.4	(95,600)	(45,600)
Securities lending expenses	3.2	(262,036)	(230,779)
Legal and professional fees		(502,981)	(33,683)
Other operating expenses	9	(242,146)	(233,997)
<b>Total operating expenses</b>		<u>(1,278,814)</u>	<u>(706,071)</u>
<b>Profit before tax</b>		593,900	947,210
Withholding tax on dividend income	7	(50,249)	(66,439)
<b>Total comprehensive income</b>		<u>543,651</u>	<u>880,771</u>

The notes on page 11 to 33 are an integral part of these financial statements.

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**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 HK\$	2013 HK\$
<b>Net assets attributable to unitholders at the beginning of the year (at bid market prices)</b>		13,784,354	4,353,583
Proceeds on issue of units			
- in-kind	10.1	-	8,385,397
- cash component and cash subscription		-	164,603
Payments on redemption of units			
- in kind	10.2	-	-
- cash component and cash redemption		-	-
Net increase from unit transactions		-	8,550,000
Total comprehensive income		543,651	880,771
<b>Net assets attributable to unitholders at the end of the year</b>		14,328,005	13,784,354

The notes on page 11 to 33 are an integral part of these financial statements.

**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER\* (THIS IS A SYNTHETIC ETF)  
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**STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 HK\$	2013 HK\$
<b>Cash flows from operating activities</b>		
Purchase of investments	(2,290,763)	(1,059,387)
Proceeds from sale of investments	3,268,454	1,795,385
Dividend received	482,400	113,386
Other income received	10,893	148,000
Transaction costs paid	(69,200)	(45,400)
Management fee paid	283,639	(430,001)
Securities lending expenses paid	(303,702)	(204,546)
Legal and professional fees paid	(502,981)	(181,650)
Other operating expenses paid	(242,007)	(228,582)
Withholding tax paid	(50,249)	(66,439)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>586,484</b>	<b>(159,234)</b>
<b>Cash flows from financing activities</b>		
Proceeds from units	-	164,603
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>164,603</b>
<b>Net increase in cash and cash equivalents</b>	<b>586,484</b>	<b>5,369</b>
Cash and cash equivalents at the beginning of the year	146,632	141,263
<b>Cash and cash equivalents at the end of the year</b>	<b>733,116</b>	<b>146,632</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances	733,116	146,632

Details of non-cash transactions are set out in Note 10 to the financial statements.

The notes on page 11 to 33 are an integral part of these financial statements.

**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER\* (THIS IS A SYNTHETIC ETF)  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**1 General information**

DCI ETF Trust (the "Trust") is an open ended umbrella unit trust established under Hong Kong law by a trust deed dated 24 June 2010 (the "Trust Deed"). The Trust is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") under section 104(1) of the Hong Kong Securities and Futures Ordinance.

Prior to 12 November 2014, the Trust has established three sub-funds which were listed on The Stock Exchange of Hong Kong Limited. On 12 November 2014, two sub-funds of the Trust, Da Cheng CSI Hong Kong Private-owned Mainland Enterprises Tracker and Da Cheng CSI Hong Kong State-owned Mainland Enterprises Tracker were terminated and delisted on The Stock Exchange of Hong Kong Limited. Da Cheng CSI China Mainland Consumer Tracker\* (\*This is a synthetic ETF) (the "Fund") is the only sub-fund of the Trust which is listed on The Stock Exchange of Hong Kong Limited as at 31 December 2014.

The manager of the Trust is Da Cheng International Asset Management Company Limited (the "Manager") and the trustee is BOCI-Prudential Trustee Limited (the "Trustee").

The investment objective of the Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of CSI China Mainland Consumer Index (the "Index"). To achieve the investment objective, the Manager intends to utilise a synthetic replication strategy through investment in derivatives to achieve the Fund's investment objective.

The Fund does not hold A Shares comprised in the Index directly but rather gain access to the Index through A Share Linked Products ("ALPs"). An ALP is a derivative instrument linked to either (a) an A Share of a PRC company which is at the relevant time, or will in a foreseeable future become, a constituent company of the Index or (b) the Index. An ALP represents only an obligation of the ALP Issuer to provide the Fund the economic performance equivalent to holding the underlying A Shares.

**2 Principal accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

**2.1 Basis of presentation**

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**2 Principal accounting policies (Continued)**

**2.1 Basis of presentation (Continued)**

All references to net assets throughout the financial statements refer to net assets attributable to unitholders unless otherwise stated.

***Standards and amendments to existing standards effective 1 January 2014***

Amendments to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Fund's financial position or performance.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2014 that would be expected to have a material impact on the Fund.

***New standards, amendments and interpretations effective after 1 January 2014 and have not been early adopted***

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. Management have yet to assess IFRS 9's full impact.

Other than as disclosed above, there are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2014 that would be expected to have a material impact on the Fund.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**2 Principal accounting policies (Continued)**

**2.2 Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates the functional currency. The performance of the Fund is measured and reported to the unitholders in Hong Kong dollar. The Management considers the Hong Kong dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Hong Kong dollars, which is the Fund's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies are recognised within "other (losses)/gains" in the statement of comprehensive income.

**2.3 Financial assets and financial liabilities at fair value through profit or loss**

**(i) Classification**

The Fund classifies its investments as financial assets at fair value through profit or loss. These financial assets are classified as held for trading.

Financial assets held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit trading. Derivatives are also categorised as financial assets or liabilities held for trading. The Fund does not classify any derivatives as hedges in a hedging relationship.

**(ii) Recognition, derecognition and measurement**

Regular purchases and sales of investments are recognised on trade date - the date on which the Fund commits to purchase or sell the investments. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the investments are presented in the statement of comprehensive income in the period which they arise.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**2 Principal accounting policies (Continued)**

**2.3 Financial assets and financial liabilities at fair value through profit or loss (Continued)**

**(iii) Fair value estimation**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Fund utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

The Fund invests into ALPs, which are fair valued based on the quoted market prices of the securities underlying the ALPs, adjusted for the expected amount payable to the ALP issuers in respect of potential capital gains tax (if any) as described in Note 4 below.

**2.4 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

**2.5 Units**

The Fund issues redeemable units which are redeemable at the holder's option represent puttable financial instruments of the Fund. The Fund classifies their puttable financial instruments as equity in accordance with IAS 32 (Amendment), "Financial instruments: Presentation" as those puttable financial instruments meet all the strict criteria. Those criteria include:

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of the Fund.

**2.6 Interest income**

Interest income is recognised on a time-proportionate basis using the effective interest method.

**2.7 Dividend income**

Dividend income from the ALPs is recognised by the Fund when the Fund's right to receive payment is established.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**2 Principal accounting policies (Continued)**

**2.8 Expenses**

Expenses are accounted for on an accrual basis.

**2.9 Transactions costs**

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

**2.10 Securities lending**

Collateral received for the purpose of securities on loan generally consists of share or cash collateral. Share collateral received is treated as an off-balance sheet transaction and is therefore not included in the statement of financial position because the Fund is not entitled to the dividend income from the share collateral and does not retain substantially all the risk and rewards. Cash collateral received (if any) is treated as an on-balance sheet transaction with a corresponding liability shown separately.

Income from the share collateral is not an income to the Fund and is paid to the counterparty who provides the collateral to the Fund.

**2.11 Taxation**

The Fund currently incurs withholding taxes imposed by certain countries on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included as taxation in the statement of comprehensive income.

**2.12 Distribution to unitholders**

Distribution to unitholders is recognised in the statement of changes in net assets attributable to unitholders when they are approved by the Manager. No distributions to unitholders are made by the Fund.

**2.13 Provisions**

Provisions are recognised when:

- the group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation that reflects current market assessments of the time value of money and the risks specific to the obligation.

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**2 Principal accounting policies (Continued)**

**2.14 Due from and due to brokers**

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

**3 Financial risk management**

The objective of the Fund is to provide investment results that closely correspond to the performance of the underlying indices. The Fund is exposed to various risks: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk, and liquidity risk which are stated below.

**3.1 Market risk**

**(i) Market price risk**

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

The Fund is designated to track the performance of the relevant Indices; therefore the exposures to market risk in the Fund will be substantially the same as the tracked indices. The Manager manages the Fund's exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned to the characteristics of the tracked indices.

As at 31 December, the Fund invested in the following derivative financial instruments:

	2014		2013	
Financial assets at fair value through profit or loss	Notional market value	Fair value	Notional market value	Fair value
	HK\$	HK\$	HK\$	HK\$
Long position				
-ALPs	14,048,671	14,048,671	13,132,935	13,132,935

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**3 Financial risk management (Continued)**

**3.1 Market risk (Continued)**

**(i) Market price risk (Continued)**

As at 31 December, the Fund's investments were concentrated in the following industries:

ALPs – by sector	2014		2013	
	Fair value HK\$	% of Net assets	Fair value HK\$	% of Net assets
Agriculture	128,273	0.90%	273,112	1.98%
Automobile manufacturing	2,896,129	20.21%	2,710,507	19.69%
Beverage manufacturing	2760,873	19.27%	2,307,824	16.75%
Broadcasting, movie and television	485,384	3.39%	10,525	0.08%
Chemical material and products manufacturing	34,476	0.24%	313,745	2.28%
Commerce service	338,261	2.36%	425,311	3.08%
Computer 、 Communications and other electronic equipment manufacturing	19,614	0.14%	487,734	3.54%
Cultural, educational and sports products	69,945	0.49%	-	-
Electric equipment and parts manufacturing	3,382,479	23.61%	2,185,236	15.86%
Food processing	230,728	1.61%	837,222	6.08%
Foodstuff manufacturing	1,336,214	9.33%	782,760	5.68%
Manufacturers of clothes and other fibre products	110,913	0.77%	208,456	1.52%
Medicine manufacturing	315,834	2.20%	-	-
Non-metal mineral products	-	-	202,276	1.47%
Press and publication	459,153	3.20%	204,751	1.48%
Public facilities management	463,827	3.24%	574,490	4.16%
Retail	471,657	3.29%	1,289,702	9.35%
Telecom 、Radio 、 television and Satellite transmission service	472,752	3.30%	319,284	2.31%
Wholesale	72,159	0.50%	-	-
	<u>14,048,671</u>	<u>98.05%</u>	<u>13,132,935</u>	<u>95.31%</u>



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**3 Financial risk management (Continued)**

**3.1 Market risk (Continued)**

**(i) Market price risk (Continued)**

The Fund invested all, or substantially all, of its assets in ALPs which are linked to A Shares of those PRC companies comprising the CSI China Mainland Consumer Index in substantially the same weightings as constituted in the Index. The Fund is therefore exposed to substantially the same market price risk as the CSI China Mainland Consumer Index.

As at 31 December 2014, if the CSI China Consumer Index had increased by 10% (2013: 10%) with all other variables held constant, net assets attributable to unitholders would have increased by approximately HK\$1,404,867 (2013: HK\$1,313,294). Conversely, if the CSI China Consumer Index had decreased by 10%, net assets attributable to unitholders would have decreased by equal amounts.

**(ii) Interest rate risk**

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

As at 31 December 2014 and 2013, interest rate risk arises only from bank balances which are reset monthly. As these interest bearing assets and liabilities are short-term in nature, the Manager considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. Therefore no sensitivity analysis has been disclosed for these bank balances.

**(iii) Currency risk**

Currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

As the Fund did not have significant amount of monetary assets and liabilities denominated in other currencies at the end of the reporting period, the Fund is not exposed to significant currency risk.

The Manager monitors the Fund's monetary foreign exchange exposure on a daily basis.

**3.2 Credit and counterparty risk**

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

Financial assets which potentially subject the Fund to concentrations of credit and counterparty risk consist principally of investments issued by ALP Issuers and bank balances.

The Fund limits their exposures to credit and counterparty risk by transacting the majority of their investments and contractual commitment activity with well established broker-dealers, banks and regulated exchanges.

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**3 Financial risk management (Continued)**

**3.2 Credit and counterparty risk (Continued)**

All transactions in listed investments are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal since delivery of investments sold is only made once the Fund's custodians have received payment. On a purchase, payment is made once the investments have been received by the broker. If either party fails to meet their obligation, the trade will fail.

The Fund is subject to credit and counterparty risk associated with each ALP Issuer and may suffer losses potentially equal to the full value of the ALPs issued by an ALP Issuer if such ALP Issuer fails to perform its obligations under the ALPs. The ALPs constitute direct, general and unsecured contractual obligations of the ALP Issuer.

The table below sets out the net exposure to credit and counterparty risk of the Fund to counterparties as at 31 December together with their credit ratings of senior long-term debt by Standard & Poor's Rating Services:

	2014 Net exposure to counterparties HK\$	2013 Net exposure to counterparties HK\$
<b>Bank balances</b>		
Bank of China (Hong Kong) Limited	733,116	146,632
<b>Net exposure</b>	<u>733,116</u>	<u>146,632</u>
- Rating	A+	A+
<b>ALP issuers</b>		
Merrill Lynch International & Co. C.V. (The guarantors are rated)		
- Financial assets at fair value through profit or loss	2,470,725	4,176,523
- Collateral obtained	(5,131,400)	(5,903,403)
<b>Net exposure</b>	<u>-</u>	<u>-</u>
- Rating of Merrill Lynch International & Co. C.V.	A-	A-
Citigroup Global Markets Holding Inc. (The guarantors are rated)		
- Financial assets at fair value through profit or loss	11,577,946	8,956,412
- Collateral obtained	(10,051,102)	(9,661,147)
<b>Net exposure</b>	<u>1,526,844</u>	<u>-</u>
- Rating of Citigroup Global Markets Holding Inc.	A-	A-

The Manager has entered into securities lending arrangements with the ALP Issuers or their affiliates, i.e., Citigroup Global Markets Holding Inc. and Merrill Lynch International & Co. C.V., in order to reduce the Fund's net relative exposure to each of their banking groups accordingly.



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**3 Financial risk management (Continued)**

**3.2 Credit and counterparty risk (Continued)**

Under the securities lending arrangement, the ALP Issuer has agreed to provide share or cash collateral to the Fund in respect of the ALPs issued. The Fund will lend ALPs to the ALP Issuer in return for share or cash collateral. Under the securities lending arrangements, both the lender and the borrower are obligated to pay and deliver any sum or money or property that the original owner would have been entitled including dividends and interest.

As at 31 December 2014, there were two (2013: two) securities lending arrangements: an arrangement between the Fund and Merrill Lynch International & Co. C.V., under which the value of share collateral held in custody by the Trustee from Merrill Lynch International & Co. C.V. amounted to approximately HK\$5,131,400 (2013: HK\$5,903,403) against ALPs lent to Merrill Lynch International & Co. C.V. (the "borrower") valued at approximately HK\$2,470,725 (2013: HK\$4,176,523); and an arrangement between the Fund and Citigroup Global Markets Holding Inc., under which the value of cash collateral held in custody by the Trustee from Citigroup Global Markets Holding Inc. amounted to approximately HK\$10,051,102 (2013: HK\$9,661,147) against ALPs lent to Citigroup Global Markets Holding Inc. (the "borrower") valued at approximately HK\$11,577,946 (2013: HK\$8,956,412).

Collateral may involve risks including settlement, operational and realisation risks. For example, collateral is subject to fluctuations in market value and the prices of subject securities may change over time.

The collateral and ALPs are marked to market every day by the borrower or an affiliate of the borrower. The Trustee may demand the provision of additional collateral to eliminate any deficiency. Likewise the borrower may demand the return of collateral to eliminate any excess.

The value of the collateral securities may be lower upon realisation of the securities. In case of collateral securities which are listed securities, the listing of such securities may be suspended or revoked or the trading of such securities on the stock exchanges may be suspended, and during the period of suspension or upon revocation, it may not be possible to realise the relevant collateral securities. While the Manager will endeavor to use a tax efficient arrangement in respect of any collateral, there is no guarantee that such arrangement will not be challenged by the tax authorities. If such arrangement is successfully challenged, the Fund may be required to pay the requisite tax (such as stamp duties) and other penalties.

Accordingly, the value of the collateral realised may not be sufficient to cover the value of the ALPs secured by such collateral.

As at 31 December 2014, the percentage of financial assets at fair value through profit or loss covered by cash and share collateral is 108% (2013: 119%).

The Fund pays a fee in respect of the collateral arrangements. As at 31 December 2014, the Fund had incurred expenses of HK\$262,036 (2013: HK\$230,779) representing 1.83% of the net asset value as at 31 December 2014 (2013: representing 1.67% of the net asset value) pursuant to the securities lending arrangements.

The Manager considers that none of these assets are impaired nor past due as at 31 December 2014. (2013: Nil)

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**3 Financial risk management (Continued)**

**3.2 Credit and counterparty risk (Continued)**

As at 31 December 2014 and 2013, the Fund was subject to two master netting arrangements with its broker. The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

	A	B	C = A - B
	Gross amounts of recognised financial assets/(liabilities) HK\$	Gross amounts of recognised financial liabilities/(assets) set-off in the statement of financial position HK\$	Net amounts of financial assets/(liabilities) presented in the statement of financial position HK\$
<b>At 31 December 2014</b>			
<b>Financial assets</b>			
Investments	14,048,671	-	14,048,671
Due from brokers	4,700,486	(3,141,945)	1,558,541
	<u>18,749,157</u>	<u>(3,141,945)</u>	<u>15,607,212</u>
<b>Financial liabilities</b>			
Due to brokers	(5,032,998)	3,141,945	(1,891,053)
	<u>(5,032,998)</u>	<u>3,141,945</u>	<u>(1,891,053)</u>
<b>At 31 December 2013</b>			
	HK\$	HK\$	HK\$
<b>Financial assets</b>			
Investments	13,132,935	-	13,132,935
	<u>13,132,935</u>	<u>-</u>	<u>13,132,935</u>

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**3 Financial risk management (Continued)**

**3.2 Credit and counterparty risk (Continued)**

**Net financial assets and liabilities subject to enforceable master netting arrangements and similar agreements, by counterparty:**

	C	D		E = C - D
	Net amounts of financial assets/(liabilities) presented in the statement of financial position HK\$	Related amounts not set-off in the statement of financial position		
		Financial instruments HK\$	Financial collateral HK\$	Net amount HK\$
<b>At 31 December 2014</b>				
<b>Financial assets</b>				
Merrill Lynch International & Co. C.V.	4,029,266	-	(2,470,725)	1,558,541
Citigroup Global Markets Holding Inc.	11,577,946	-	(11,577,946)	-
	<u>15,607,212</u>	<u>-</u>	<u>(14,048,671)</u>	<u>1,558,541</u>
<b>Financial liabilities</b>				
Citigroup Global Markets Holding Inc.	(1,891,053)	1,891,053	-	-
	<u>(1,891,053)</u>	<u>1,891,053</u>	<u>-</u>	<u>-</u>
<b>At 31 December 2013</b>				
	HK\$	HK\$	HK\$	HK\$
<b>Financial assets</b>				
Merrill Lynch International & Co. C.V.	4,176,523	-	(4,176,523)	-
Citigroup Global Markets Holding Inc.	8,956,412	-	(8,956,412)	-
	<u>13,132,935</u>	<u>-</u>	<u>(13,132,935)</u>	<u>-</u>



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**3 Financial risk management (Continued)**

**3.3 Liquidity risk**

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

As at 31 December 2014, the Fund's non-derivative financial assets and liabilities have contractual maturities of less than one month (2013: less than one month). As at 31 December 2014, the Fund held liquid assets, comprising bank balances and prepayments and other receivables that are expected to readily generate cash inflows for managing liquidity risk.

The Fund holds ALPs which do not have an active market. However, transactions with participating dealers are generally in-kind and where a participating dealer subscribes or redeems in cash, such transactions would be effected with an ALP Issuer nominated by the participating dealer.

Under the Trust Deed, the Trustee may terminate the Trust and the Fund if: (i) the Manager goes into liquidation or a receiver is appointed and not discharged within 60 days or (ii) in the opinion of the Trustee, the Manager is incapable of performing its duties satisfactorily or (iii) the Manager has failed to perform its duties satisfactorily or has, in the opinion of the Trustee, done something calculated to bring the Trust into disrepute or that is harmful to the interests of unitholders or (iv) a law is passed that renders it illegal, or in the opinion of the Trustee, impracticable or inadvisable to continue the Trust or (v) the Trustee is unable to find an acceptable person to replace the Manager within 30 days after the removal of the Manager, or the person nominated shall fail to be approved by Extraordinary Resolution or (vi) 30 days after the Trustee notifies the Manager of its intention to retire, no new person willing to act as trustee has been identified.

Under the Trust Deed, the Manager may terminate the Trust and the Fund if: (i) the aggregate net asset value of all the units of the Fund of the Trust is less than HK\$100 million; or (ii) any law is passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Manager, impracticable or inadvisable to continue the Trust; or (iii) if any law or regulation shall be passed or amended or any regulatory directive or order is imposed that affects the Fund and which renders the Fund illegal or in good faith opinion of the Manager makes it impracticable or inadvisable to continue any of the Fund; or (iv) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed; or (v) if the Index is no longer available for benchmarking or if the units of the Trust are no longer listed on the SEHK or any other Recognised Stock Exchange; or (vi) if at any time, the Trust ceases to have any Participating Dealer or (vii) if the Manager is unable to implement its investment strategy.

As at 31 December 2014 and up to the date of these financial statements, the Manager and the Trustee confirm that they do not have plans to terminate the Trust or the Fund in the coming 12 months.

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**3 Financial risk management (Continued)**

**3.4 Fair value estimation**

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the Fund's financial assets (by class) measured at fair value at 31 December:

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<b>2014</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- ALPs	-	14,048,671	-	14,048,671
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>2013</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- ALPs	-	-	13,132,935	13,132,935
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



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**3 Financial risk management (Continued)**

**3.4 Fair value estimation (Continued)**

Investment whose values are based on quoted market prices in active markets are classified within level 1. The Fund does not adjust the quoted price for these instruments.

Investments that trade in markets that are not considered to be active and are priced by the market maker supported by observable inputs are classified within level 2.

Investments that trade in markets that are not considered to be active and are priced by the market maker based on unobservable inputs are classified within level 3. Prior to 17 November 2014, the level 3 investments included ALPs held by the Fund which can only be traded with the relevant ALP Issuers. The value of each ALP is derived from the quoted market prices of the relevant underlying security, adjusted for the expected amount payable to the issuer in respect of potential capital gains tax (if any) which could vary as described in Note 4 below. For the ALPs, effect of possible change in quoted market prices of the relevant underlying security are set out in the sensitivity analysis described in Note 3.1(i). Effective from 17 November 2014, the ALPs were transferred from level 3 to level 2 after issuance of the notice by the PRC State Administration of Taxation ("SAT") and the China Securities Regulatory Commission (the "CSRC") in November 2014 that Renminbi Qualified Foreign Institutional Investor ("RQFII") and Qualified Foreign Institutional Investor ("QFII") will be temporary exempt from corporate income tax on China A Shares effective from 17 November 2014. Refer to Note 4 for detail.

There were 64 ALPs transfers from level 3 to level 2 for the year ended 31 December 2014 (2013: Nil). The following table presents the movement in level 3 instruments held by the Fund for the year ended 31 December 2014 by class of financial instrument.

	ALPs	
	2014	2013
	HK\$	HK\$
Opening balance	13,132,935	4,144,097
Purchases	7,323,762	10,001,994
Sales	(7,968,939)	(2,352,596)
Net gains on investments	1,560,913	1,339,440
Transfer out of level 3	(14,048,671)	-
Closing balance	-	13,132,935
Change in unrealised gains or losses for the year included in the statement of comprehensive income for assets held at the end of the year	-	(792,442)

The carrying amount of cash and cash equivalents, amounts due from broker, prepayments and other receivables, receivable from the Manager, transaction costs payable, maintenance fee payable, securities lending expense payable, amounts due to brokers, management fee payable, trustee fee payable and other payables approximated their fair values and are presented in the statement of financial position. There are no financial assets and financial liabilities not carried at fair value but for which the fair value is disclosed.



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**3 Financial risk management (Continued)**

**3.5 Capital risk management**

The Fund's capital is represented by the redeemable units outstanding. The Fund's objective is to provide investment results that correspond generally to the performance of the respective indices. The Manager may:

- Redeem and issue new units in accordance with the constitutive documents of the Fund;
- Exercise discretion when determining the amount of distributions of the Fund to the unitholders; and
- Suspend the creation and redemption of units under certain circumstances stipulated in the prospectuses.

The Fund does not have any internally and externally imposed capital requirements and therefore the Fund is not subject to significant capital risk.

**4 Critical accounting estimates, assumptions and management judgements**

The preparation of financial statements in conformity with IFRS requires the Management to make estimates, assumptions and management judgments that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In addition, the Management makes judgements in applying accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

**4.1 Functional currency**

The Management considers the Hong Kong dollar the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Hong Kong dollar is the currency in which the Fund measures their performance and reports their results, as well as the currency in which the Fund determines the net asset value per unit at the time of issue or redemption. This determination also considers that the Fund is listed on The Stock Exchange of Hong Kong Limited and its shares are quoted in Hong Kong dollar.

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**4 Critical accounting estimates, assumptions and management judgements (Continued)**

**4.2 Taxation**

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

The Fund does not invest directly in A Shares but instead gains access to the A-Share market by investing into ALPs, which are derivative instruments linked to an A Share or the Index issued by one or more QFIs or their affiliates ("ALP Issuers"). An ALP represents only an obligation of each ALP Issuer to provide the economic performance equivalent to holding the underlying A Shares. Under the general taxing provision of PRC corporate tax law, a 10% withholding tax may be payable on the gains derived from the sale of A Shares by QFIs. The Manager considers that the charge for PRC tax on gains on A Shares is uncertain as at the date of approval of these financial statements and has exercised its judgment when assessing whether the Fund may be liable for taxation on its gains from ALPs, the amount of potential tax liability and the probability of such tax charges being levied up to the reporting date. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events. The Manager considers that its estimation may be impacted by any future clarification by the PRC State Administration of Taxation ("SAT") and the applicability of double tax treaty by the respective ALP issuers, which may be materially different from what the Manager envisioned.

*Notice issued on 14 November 2014*

On 14 November 2014, the Ministry of Finance of the PRC (the "MoF"), the SAT and the China Securities Regulatory Commission (the "CSRC") jointly issued the "Notice on temporary exemption of Corporate Income Tax on capital gains derived from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII" (the "Notice").

According to the Notice, amongst other things:

- (i) QFIIs and RQFIIs, which do not have an establishment or place of business in the PRC or have an establishment or place in the PRC but the income so derived in the PRC is not effectively connected with such establishment, will be temporarily exempt from corporate income tax on gains derived from the transfer of PRC equity investment assets (including China A-Shares) effective from 17 November 2014;
- (ii) PRC corporate income tax will be imposed on gains by QFIIs and RQFIIs from transfer of equity investment assets (including China A-Shares) realised prior to 17 November 2014 in accordance with laws.

As a result of the issue of the Notice, the Manager, after discussion with the ALP Issuers, has decided on the following changes to the tax provisioning policy of the ALPs:

- (i) The Manager has ceased to provide PRC withholding income tax for realised gains on ALP investments on or after 17 November 2014; and
- (ii) No PRC withholding income tax provision is made for unrealised gains for ALP investments.



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**4 Critical accounting estimates, assumptions and management judgements (Continued)**

**4.2 Taxation (Continued)**

The Manager estimates, on the basis of information provided by the Trustee, the gross realised gains which could be exposed to PRC taxation at the rate of 10% since the Fund's inception date of 15 July 2010 up to and including 17 November 2014 to be approximately HK\$4,659,580 (2013: HK\$4,387,235). As at 31 December 2014, withholding tax of HK\$378,877 (2013: HK\$351,643) from realised gain of HK\$3,788,770 (2013: HK\$3,516,425) was withheld by the ALP issuers.

Other than those withholding tax arising from realised gain withheld by the ALP issuers, no capital gains tax provision in relation to ALP investments of the Fund was made in the financial statements. The Manager considers the capital gains tax provision amount may differ significantly from the amounts that may have to ultimately be borne by the Fund. In the event a capital gains tax is levied at an amount that is different from what was provided for by the Fund, the Fund may incur a liability that is different from the existing provision (if any), which could significantly impact the net assets attributable to unitholders and consequently, the price per unit of the Fund based on the calculation of the net assets attributable to unitholders when distributing to the unitholders at such relevant time.

The Manager reviews the relevant PRC tax rules on the A Shares from time to time. Any change in taxation imposed on QFIIs is likely to have a subsequent impact on the required provision and accordingly the net assets attributable to unitholders of the Fund. When the SAT issues clarifications on the enforcement of withholding tax on gains from A shares held by QFIIs, this might ultimately result in either an increase or a decrease in the amount provided. The Manager will act in the best interest of unitholders and will continually assess the tax provision on an on-going basis.

*Event subsequent to 31 December 2014*

In February 2015, the Beijing Municipal State Tax Bureau provided further verbal clarifications on the Notice and set a tax filing deadline of 31 July 2015 for all QFIIs/RQFIIs, covering all types of investment income including PRC sourced dividend and capital gains realised from the disposal of A Shares. Those QFIIs/RQFIIs eligible for treaty relief under an applicable tax treaty should follow the requirement of Circular 124 for tax treaty application.

The Manager is in the process of discussing and agreeing with the ALP issuers on the tax exposure of the ALP investments held by the Fund since the Fund's inception date of 15 July 2010 up to and including 17 November 2014.



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 FOR THE YEAR ENDED 31 DECEMBER 2014**

**5 Movement of the redeemable units**

The movements of the redeemable units are as follows:

	2014 Number of units	2013 Number of units
Units in issue at the beginning of the year	1,500,000	500,000
Issue of units	-	1,000,000
Redemption of units	-	-
	<u>1,500,000</u>	<u>1,500,000</u>
Units in issue at the end of the year	<u>1,500,000</u>	<u>1,500,000</u>
	HK\$	HK\$
Net assets attributable to unitholders (Dealing NAV)	<u>14,328,005</u>	<u>13,784,354</u>
Net assets attributable to unitholders (Dealing NAV) per unit	<u>9.55</u>	<u>9.19</u>

**6 Net gains on investments**

	2014 HK\$	2013 HK\$
Net realised gains/(losses) on financial assets at fair value through profit or loss	992,393	(269,560)
Net change in unrealised gains/losses on financial assets at fair value through profit or loss	568,520	1,609,000
	<u>1,560,913</u>	<u>1,339,440</u>

**7 Taxation**

No provision for Hong Kong profits tax has been made as the Fund was authorised as collective investment schemes under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

*PRC Withholding Tax*

The investments of the Fund in the A Shares of PRC listed companies are held through the ALPs issued by one or more QFIIs or their affiliates. A 10% withholding tax is withheld by QFIIs/ALP Issuers on all PRC sourced dividends prior to 17 November 2014. A 10% withholding tax may also be payable on gains derived from sale of A Shares by QFIIs as described in Note 4 above.

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**8 Transactions with the Trustee, Manager and connected persons**

The following is a summary of significant related party transactions/transactions entered into during the year between the Fund and the Trustee, the Manager and their connected persons. Connected persons of the Manager are those defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC code"). All transactions entered into during the year between the Fund and the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Fund does not have any other transactions with connected persons except for transactions disclosed below.

**8.1 Management fee**

The Manager is entitled to receive a management fee, currently at the annual rate of 0.99% of the net asset value of the Fund. The fee is accrued daily and calculated as at each dealing day and payable monthly in arrears.

The Fund adopts a single fee structure under which the Fund only pays to the Manager a management fee which covers the Fund's trustee fee, registrar fee and index licensing fee as such, the Fund's trustee fee, registrar fee and index licensing fees are paid by the Fund and reimbursed by the Manager. During the year ended 31 December 2014, management fee amounted to HK\$127,778 (2013: HK\$116,287).

At the same time, the Fund's trustee fee, registrar fee and index licensing fee of HK\$564,000 (2013: HK\$571,464) would be reimbursed by the Manager to the Fund. At 31 December 2014, there was a receivable of HK\$345,929 from the Manager (2013: receivable of HK\$757,346), representing the receivable from the Manager for reimbursement of the trustee fee, registrar fee and index licensing fee net of management fee payable.

**8.2 Trustee fee**

The Fund adopts a single fee structure under which the Fund only pays to the Manager a management fee which covers the Fund's trustee fee, registrar fee and index licensing fee as such, the Fund's trustee fee, registrar fee and index licensing fees are paid by the Fund and reimbursed by the Manager. Refer to Note 8.1 for details.

**8.3 ALP maintenance charge**

The ALP Issuers are entitled to an ALP maintenance charge out of the distribution payable under the ALPs at 0.4% per annum of the daily mark to market value of the ALPs issued by the relevant ALP Issuer held by the Fund, payable at the end of each quarter based on the period's number of actual days. During the year ended 31 December 2014 and 2013, the relevant ALP Issuers are Merrill Lynch International & Co. C.V. and Citigroup Global Markets Holding Inc.

**8.4 Transaction costs on investments**

The ALP Issuers charge a 0.3% commission (excluding stamp duty) on each purchase and sale of each ALP acquired for the account of the Fund. The ALP Commission is an expense borne by the Fund. The ALP Commission will be adjusted for any stamp duty on the sale and purchase of A Shares, currently at 0.1% per cent on the sale of A Shares.

The ALP commission may be increased generally or in respect of specific ALP Issuers or transaction.

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FOR THE YEAR ENDED 31 DECEMBER 2014**

**8 Transactions with the Trustee, Manager and connected persons (Continued)**

**8.5 Bank balances**

Bank balances are maintained with group companies of the Trustee, which carry interest at normal commercial rates. Bank balances held with the group companies of the Trustee as at 31 December were as follows:

	2014 HK\$	2013 HK\$
Bank balances	<u>733,116</u>	<u>146,632</u>

**8.6 Investments balances**

Investments balances held in custody by group companies of the Trustee. Investments balances held with the group companies of the Trustee as at 31 December were as follows:

	2014 HK\$	2013 HK\$
Investments	<u>14,048,671</u>	<u>13,132,935</u>

**9 Other operating expenses**

	2014 HK\$	2013 HK\$
Custodian fee	1,177	1,387
Service agent fee	60,000	60,000
Audit fee	135,882	135,742
License fee	7,000	7,000
Listing fee	15,000	15,000
Bank charges	10,750	3,814
Sundry expenses	-	500
Other operating expenses	12,337	10,554
	<u>242,146</u>	<u>233,997</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**10 Major non-cash transactions**

**10.1 Subscriptions**

There was no subscription for the Fund during the year ended 31 December 2014 (2013: 1,000,000 units) in exchange for baskets consisting of investments valued at a total of Nil (2013: HK\$8,385,397) plus the relevant cash component included in the statement of cash flows.

**10.2 Redemptions**

There was no redemption for the fund during the year ended 31 December 2014 and 2013.

**11 Financial instrument category**

As of 31 December 2014 and 2013, other than investments as disclosed in the financial statements which are classified as the financial assets at fair value through profit or loss, all financial assets are categorised as loans and receivables and carried at amortised costs. All the financial liabilities of the Fund is carried at amortised cost.

The carrying value of the financial assets and liabilities are considered by the Manager to approximate their fair values as they are short-term in nature and the effect of discounting is immaterial.

**12 Soft commission arrangements**

The Manager confirms that there have been no soft commission arrangements existing during the year ended 31 December 2014 and year ended 31 December 2013 in relation to directing transactions of the Fund through a broker or dealer.

**13 Investment limitation and prohibitions under the SFC code**

Pursuant to the SFC's Guidelines for Regulating Index Tracking Exchange Trade Funds (the "ETF Guidelines"), the Manager is permitted to overweight the holdings of the Fund relative to its respective weightings in their respective indices, on the condition that the maximum extra weighting in any constituent will not exceed 4%.

The Manager and Trustee have confirmed that the Fund has complied with this limit during the year ended 31 December 2014 and year ended 31 December 2013.

There was three ALP (2013: Nil) that accounted for more than 10% of the net asset value of the Fund as at 31 December 2014.

During the year ended 31 December 2014, the CSI China Mainland Consumer Index increased by 16% (2013: increased by 7%), while the NAV per unit of the Fund increased by 3% (2013: decreased by 6%).

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**14 Segment information**

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

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

The internal financial information used by the Manager for the Fund's assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Fund is domiciled in Hong Kong. All of the Fund's income is from investments in securities which constitute the relevant tracked indices. The Fund's investments have been categorised by relevant geography.

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

**15 Approval of the financial statements**

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

**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER\* (THIS IS A SYNTHETIC ETF)  
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**INVESTMENT PORTFOLIO (UNAUDITED)  
AS AT 31 DECEMBER 2014**

	Holdings	Fair value HK\$	% of Net assets
<b>Investments (98.05%)</b>			
<b>China (98.05%)</b>			
<b>ALPs issued by Merrill Lynch International &amp; Co. C.V. (17.24%)</b>			
Beijing Dabeinong Technology Group Co Ltd	1,001	16,764	0.12
Beijing Yanjing Brewery Co Ltd	7,134	71,131	0.50
BesTV New Media Co Ltd	4,900	231,625	1.60
BYD Co Ltd	440	20,947	0.15
By-health Co Ltd	2,600	84,358	0.59
China Hainan Rubber Industry Group Co Ltd	1,522	16,562	0.12
China International Travel Service Corp Ltd	1,853	102,669	0.72
China South Publishing & Media Group Co Ltd	3,738	77,433	0.54
Chongqing Changan Automobile Co Ltd	12,867	263,812	1.84
FAW CAR Co Ltd	611	11,544	0.08
Great Wall Motor Co Ltd	278	14,414	0.10
Gree Electric Appliances Inc of Zhuhai	1,264	58,551	0.41
Henan Shuanghui Investment & Development Co Ltd	502	19,764	0.14
Huayu Automotive Systems Co Ltd	632	12,209	0.09
Inner Mongolia Yili Industrial Group Co Ltd	4,992	178,351	1.24
Kweichow Moutai Co Ltd	159	37,624	0.26
Luzhou Laojiao Co Ltd	1,019	25,941	0.18
Midea Group Co Ltd	9,887	338,554	2.36
New Hope Liuhe Co Ltd	2,996	52,342	0.37
Qingdao Haier Co Ltd	1,120	25,940	0.18
SAIC Motor Corp Ltd	4,596	123,138	0.86
Shanghai Oriental Pearl Group Co Ltd	1,932	33,367	0.23
Shanghai Pharmaceuticals Holding Co Ltd	2,495	51,373	0.36
Shenzhen Overseas Chinese Town Co Ltd	16,345	168,275	1.17
Suning Commerce Group Co Ltd	545	6,121	0.04
Tsingtao Brewery Co Ltd	148	7,716	0.05
Weifu High-Technology Group Co Ltd	3,246	108,680	0.76
Wuliangye Yibin Co Ltd	5,728	153,681	1.07
Yonghui Superstores Co Ltd	1,072	11,652	0.08
Zhe Jiang Daily Media Group Co Ltd	5,900	133,926	0.93
Zhengzhou Yutong Bus Co Ltd	440	12,261	0.09
		<hr/> 2,470,726 <hr/>	<hr/> 17.24 <hr/>



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**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)  
AS AT 31 DECEMBER 2014**

**ALPs issued by Citigroup (80.81%)**

Beijing Dabeinong Technology Group Co Ltd	1,976	33,092	0.23
Beijing Enlight Media Co Ltd	3,900	115,051	0.80
Beijing Yanjing Brewery Co Ltd	10,278	102,479	0.72
BesTV New Media Co Ltd	1,848	87,356	0.61
BlueFocus Communication Group Co Ltd	6,000	158,134	1.10
Bright Dairy & Food Co Ltd	6,400	139,445	0.97
BYD Co Ltd	4,620	219,946	1.54
China Hainan Rubber Industry Group Co Ltd	10,266	111,711	0.78
China International Travel Service Co Ltd	1,398	77,459	0.54
China South Publishing & Media Group Co Ltd	2,390	49,509	0.35
Chongqing Changan Automobile Co Ltd	8,272	169,601	1.18
FAW Car Co Ltd	1,590	30,040	0.21
Foshan Haitian Flavouring & Food Co Ltd	1,500	74,780	0.52
Great Wall Motor Co Ltd	498	25,821	0.18
Gree Electric Appliances Inc of Zhuhai	42,654	1,975,821	13.79
Guangzhou Alpha Animation and Culture Co Ltd	1,900	69,945	0.49
Heilan Home Co Ltd	8,800	110,913	0.77
Henan Shuanghui Investment & Development Co Ltd	748	29,450	0.21
Huadong Medicine Co Ltd	500	32,826	0.23
Huawen Media Investment Group Corp	11,500	162,165	1.13
Huayi Brothers Media Corp	8,500	279,711	1.95
Huayu Automotive Systems Co Ltd	2,198	42,460	0.30
Hunan TV & Broadcast Intermediary Co Ltd	7,300	153,771	1.07
Inner Mongolia Yili Industrial Group Co Ltd	24,051	859,279	6.00
Jiangsu Phoenix Publishing & Media Co Ltd	2,690	36,120	0.25
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	352	34,724	0.24
Jointown Pharmaceutical Group Co Ltd	3,200	72,159	0.50
Kangmei Pharmaceutical Co Ltd	16,100	315,833	2.20
Kweichow Moutai Co Ltd	8,127	1,923,067	13.42
Luzhou Laojiao Co Ltd	1,088	27,697	0.19
Midea Group Co Ltd	28,330	970,087	6.77
New Hope Liuhe Co Ltd	4,540	79,317	0.55
Qingdao Haier Co Ltd	584	13,526	0.09
SAIC Motor Co Ltd	57,602	1,543,297	10.77
Shanghai Jahwa United Co Ltd	805	34,477	0.24
Shanghai Oriental Pearl (Group) Co Ltd	1,970	34,024	0.24
Shanghai Pharmaceuticals Co Ltd	8,370	172,341	1.20
Shenzhen Overseas Chinese Town Co Ltd	22,162	228,162	1.59
Suning Commerce Group Co Ltd	4,572	51,349	0.36
TCL Corporation	4,136	19,613	0.14
Tsingtao Brewery Co Ltd	730	38,060	0.27
Wanxiang Qianchao Co Ltd	10,100	149,607	1.04
Wasu Media Holdings Co Ltd	400	12,379	0.09
Weifu High-Technology Group Co Ltd	3,066	102,653	0.72
Wuliangye Yibin Co Ltd	12,626	338,754	2.36
Yonghui Superstores Co Ltd	13,432	145,995	1.02
Zhejiang Huace Film & TV Co Ltd	2,500	78,243	0.55
Zhengzhou Yutong Bus Co Ltd	1,640	45,700	0.32

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**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)  
AS AT 31 DECEMBER 2014**

	Holdings	Fair value HK\$	% of Net assets
ALPs issued by Citigroup (80.81%) (Continued)			
		11,577,945	80.81
Total investments		14,048,671	98.05
Other net assets		279,334	1.95
Net assets as at 31 December 2014		14,328,005	100.00
Total investments, at cost		11,796,318	

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Holdings				31
	1 January 2014	Additions	Corporate action	Disposals	December 2014
<b>Investments (Continued)</b>					
<b>China (Continued)</b>					
<b>ALPs issued by Merrill Lynch International &amp; Co. C.V</b>					
Anhui Jianghuai Automobile Co Ltd	400	-	-	(400)	-
Beijing Dabeinong Technology Group Co Ltd	4,401	4,401	-	(7,801)	1,001
Beijing Yanjing Brewery Co Ltd	7,834	7,834	-	(8,534)	7,134
Beiqi Foton Motor Co Ltd	5,546	-	-	(5,546)	-
BesTV New Media Co Ltd	4,900	-	-	-	4,900
BYD Co Ltd	440	440	-	(440)	440
By-health Co Ltd	-	2,600	-	-	2,600
China Hainan Rubber Industry Group Co Ltd	1,522	-	-	-	1,522
China International Travel Service Co Ltd	1,853	1,853	-	(1,853)	1,853
China South Publishing & Media Group Co Ltd	3,738	-	-	-	3,738
Chongqing Changan Automobile Co Ltd	12,867	12,867	-	(12,867)	12,867
FAW Car Co Ltd	5,611	5,611	-	(10,611)	611
Fuyao Group Glass Industries Co Ltd	6,859	6,859	-	(13,718)	-
Great Wall Motor Co Ltd	1,778	1,778	-	(3,278)	278
Gree Electric Appliances Inc of Zhuohai	4,264	1,264	-	(4,265)	1,264
Guangzhou Automobile Group Co Ltd	800	-	-	(800)	-
Haining China Leather Market Co Ltd	1,928	964	-	(2,892)	-
Heilongjiang Agriculture Co Ltd	4,928	-	-	(4,928)	-
Henan Shuanghui Investment & Development	2,902	2,902	-	(5,302)	502
Huayu Automotive Systems Co Ltd	7,132	7,132	-	(13,632)	632
Inner Mongolia Yili Industrial Group Co Ltd	4,028	3,328	1,664	(4,028)	4,992
Jiangsu Phoenix Publishing & Media Co Ltd	3,044	3,044	-	(6,088)	-
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	630	630	-	(1,260)	-
Kweichow Moutai Co Ltd	745	159	14	(759)	159
Luzhou Lao Jiao Co Ltd	3,519	3,519	-	(6,019)	1,019
MeiHua Holdings Group Co	364	364	-	(728)	-
Midea Group Co Ltd	3,955	-	5,932	-	9,887
New Hope Liuhe Co Ltd	2,996	-	-	-	2,996
Pangda Automobile Trade Co Ltd	2,976	2,976	-	(5,952)	-
Qingdao Haier Co Ltd	8,720	8,720	-	(16,320)	1,120
SAIC Motor Co Ltd	6,896	4,596	-	(6,896)	4,596



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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2014**

	Holdings				
	1 January 2014	Additions	Corporate action	Disposals	31 December 2014
<b>Investments (Continued)</b>					
<b>China (Continued)</b>					
<b>ALPs issued by Merrill Lynch International &amp; Co. C.V (Continued)</b>					
Shanghai Bailian Group Co Ltd	3,872	-	-	(3,872)	-
Shanghai Jahwa United Co Ltd	1,707	1,707	-	(3,414)	-
Shanghai Oriental Pearl (Group) Co Ltd	10,932	10,932	-	(19,932)	1,932
Shanghai Pharmaceuticals Holding Co Ltd	2,495	2,495	-	(2,495)	2,495
Shanxi Xinghuacun Fen Wine Factory Co Ltd	1,152	1,152	-	(2,304)	-
Shenzhen Overseas Chinese Town Co Ltd	16,345	16,345	-	(16,345)	16,345
Suning Commerce Group Co Ltd	15,045	10,545	-	(25,045)	545
TCL Corporation	39,738	39,738	-	(79,476)	-
Tsingtao Brewery Co Ltd	1,848	1,848	-	(4,538)	148
Weifu High-Technology Group Co Ltd	3,246	-	-	-	3,246
Wuliangye Yibin Co Ltd	6,728	6,728	-	(7,728)	5,728
Yantai Changyu Pioneer Wine Co Ltd	973	-	-	(973)	-
Yonghui Superstores Co Ltd	536	-	536	-	1,072
Youngor Group Co Ltd	5,973	5,973	-	(11,946)	-
Zhe Jiang Daily Media Group Co Ltd	-	5,900	-	-	5,900
Zhejiang China Commodities City Group Co	9,330	-	-	(9,330)	-
Zhengzhou Yutong Bus Co Ltd	3,240	3,240	-	(6,040)	440

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2014**

	Holdings				31
	1 January 2014	Additions	Corporate action	Disposals	December 2014
<b>Investments</b>					
<b>China</b>					
<b>ALPs issued by Citigroup</b>					
Anhui Jianghuai Automobile Co Ltd	1,002	-	-	(1,002)	-
Beijing Dabeinong Technology Group Co Ltd	6,976	-	-	(5,000)	1,976
Beijing Enlight Media Co Ltd	-	3,900	-	-	3,900
Beijing Yanjing Brewery Co Ltd	10,978	-	-	(700)	10,278
Beingmate Baby & Child Food Co Ltd	-	6,400	-	(6,400)	-
Beiqi Foton Motor Co Ltd	12,234	-	-	(12,234)	-
BesTV New Media Co Ltd	1,848	-	-	-	1,848
BlueFocus Communication Group Co Ltd	-	6,000	-	-	6,000
Bright Dairy & Food Co Ltd	-	6,000	-	-	6,400
BYD Co Ltd	4,620	-	-	-	4,620
China Hainan Rubber Industry Group Co Ltd	10,266	-	-	-	10,266
China International Travel Service Co Ltd	1,398	-	-	-	1,398
China South Publishing & Media Group Co Ltd	2,390	-	-	-	2,390
Chongqing Changan Automobile Co Ltd	12,472	2,200	-	(6,400)	8,272
FAW Car Co Ltd	4,690	-	-	(3,100)	1,590
Foshan Haitian Flavouring & Food Co Ltd	-	1,500	-	-	1,500
Fuyao Group Glass Industries Co Ltd	12,206	-	-	(12,206)	-
Great Wall Motor Co Ltd	2,998	-	-	(2,500)	498
Gree Electric Appliances Inc of Zhuhai	21,554	27,000	-	(5,900)	42,654
Guangdong Alpha Animation and Culture	-	1,900	-	-	1,900
Guangzhou Automobile Group Co Ltd	9,646	-	-	(9,646)	-
Heilan Home Co Ltd	-	8,800	-	-	8,800
Heilongjiang Agriculture Co Ltd	6,196	-	-	(6,196)	-
Henan Shuanghui Investment & Development	4,748	-	-	(4,000)	748
Hisense Electric Co Ltd	10,100	-	-	(10,100)	-
Huadong Medicine Co Ltd	2,700	-	-	(2,200)	500
Huawen Media Investment Group Corp	-	11,500	-	-	11,500
Huayi Brothers Media Corp	-	8,500	-	-	8,500
Huayu Automotive Systems Co Ltd	5,898	-	-	(3,700)	2,198
Hunan TV & Broadcast Intermediary CoLTD	-	7,300	-	-	7,300
Inner Mongolia Yili Industrial Group Co Ltd	10,434	30,600	4,817	(21,800)	24,051
Jiangsu Phoenix Publishing & Media Co Ltd	6,646	-	-	(3,956)	2,690
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	3,522	-	-	(3,170)	352
Jointown Pharmaceutival Group Co Ltd	-	3,200	-	-	3,200
Kangmei Pharmaceutical Co Ltd	-	16,100	-	-	16,100
Kweichow Moutai Co Ltd	3,716	5,100	411	(1,100)	8,127
Luzhou Lao Jiao Co Ltd	5,288	-	-	(4,200)	1,088
MeiHua Holdings Group Co	7,078	-	-	(7,078)	-

**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER\* (THIS IS A SYNTHETIC ETF)**  
**(A SUB-FUND OF DCI ETF TRUST ESTABLISHED IN HONG KONG)**

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Holdings				
	1 January 2014	Additions	Corporate action	Disposals	31 December 2014
<b>Investments (Continued)</b>					
<b>China (Continued)</b>					
<b>ALPs issued by Citigroup (Continued)</b>					
Midea Group Co Ltd	5,372	20,500	8,058	(5,600)	28,330
New Hope Liuhe Co Ltd	4,549	-	-	-	4,540
Pangda Automobile Trade Co Ltd	4,568	-	-	(4,568)	-
Qingdao Haier Co Ltd	11,684	-	-	(11,100)	584
SAIC Motor Co Ltd	32,502	32,300	-	(7,200)	57,602
Shanghai Bailian Group Co Ltd	6,714	-	-	(6,714)	-
Shanghai Jahwa United Co Ltd	4,098	-	-	(3,293)	805
Shanghai Meterbonwe Fashion & Accessories	2,500	-	-	(2,500)	-
Shanghai Oriental Pearl Group Co Ltd	8,970	-	-	(7,000)	1,970
Shanghai Pharmaceuticals Holding Co Ltd	8,370	-	-	-	8,370
Shanxi Xinghuacun Fen Wine Factory Co Ltd	2,262	-	-	(2,262)	-
Shenzhen Overseas Chinese Town Co Ltd	31,662	-	-	(9,500)	22,162
Suning Commerce Group Co Ltd	38,572	-	-	(34,000)	4,572
TCL Corporation	73,798	-	-	(69,662)	4,136
Tsingtao Brewery Co Ltd	2,430	-	-	(1,700)	730
Wanxiang Qianchao Co Ltd	-	10,100	-	-	10,100
Wasu Media Holding Co Ltd	400	-	-	-	400
Weifu High-Technology Group Co Ltd	5,166	-	-	(2,100)	3,066
Wuliangye Yibin Co Ltd	17,526	-	-	(4,900)	12,626
Yantai Changyu Pioneer Wine Co Ltd	684	-	-	(684)	-
Yonghui Superstores Co Ltd	6,716	-	6,716	-	13,432
Youngor Group Co Ltd	11,634	-	-	(11,634)	-
Zhejiang China Commodities City Group	7,946	-	-	(7,946)	-
Zhejiang Huace Film & TV Co Ltd	-	2,500	-	-	2,500
Zhengzhou Yutong Bus Co Ltd	7,740	-	-	(6,100)	1,640



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**PERFORMANCE RECORD (UNAUDITED)  
AS AT 31 DECEMBER 2014**

**Net asset value (Dealing NAV)**

	Net asset value per unit HK\$	Net asset value of the Fund HK\$
At end of financial year/period dated		
31 December 2014	9.55	14,328,005
31 December 2013	9.19	13,784,354
31 December 2012	8.71	4,357,247
31 December 2011	9.08	59,032,271
31 December 2010	10.99	98,868,351

**Highest and lowest net asset value per unit**

	Highest net asset value per unit HK\$	Lowest net asset value per unit HK\$
Financial year/period ended		
31 December 2014	9.83	7.68
31 December 2013	9.91	7.96
31 December 2012	10.40	7.77
31 December 2011	11.65	8.86
31 December 2010 (since inception)	12.34	8.86