

ChinaAMC ETF Series  
**ChinaAMC CSI 300 Index ETF**

Annual Report

For the year ended 31 December 2014



**华夏基金**  
**ChinaAMC**

ANNUAL REPORT

ChinaAMC CSI 300 Index ETF  
(a sub-fund of ChinaAMC ETF Series)

For the year ended 31 December 2014

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**IMPORTANT:**

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about the Sub-Fund, please refer to the prospectus of the Sub-Fund which is available at our website: <http://etf.chinaamc.com.hk/HKen/CSI300>

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

ChinaAMC CSI 300 Index ETF  
(a sub-fund of ChinaAMC ETF Series)

## MANAGEMENT AND ADMINISTRATION

### **Manager and RQFII Holder**

China Asset Management (Hong Kong) Limited  
37/F, Bank of China Tower  
1 Garden Road  
Central, Hong Kong

### **Directors of the Manager**

Mr. Yang Minghui  
Mr. Zhang Xiaoling (appointed on 1 August 2014)  
Mr. Zhou Quan (resigned on 10 April 2015)  
Mr. Gan Tian (appointed on 14 November 2014)  
Mr. Teng Tianming (resigned on 21 August 2014)  
Ms. Chen Chia-Ling (resigned on 31 October 2014)

### **Trustee**

Cititrust Limited  
50/F, Citibank Tower, Citibank Plaza  
3 Garden Road  
Central, Hong Kong

### **PRC Custodian**

Citibank (China) Co., Limited  
Citigroup Tower  
No. 33, Hua Yuan Shi Qiao Road  
Lu Jia Zui Finance and Trade Area, Shanghai  
People's Republic of China

### **Auditors**

Ernst & Young  
22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

### **Investment Adviser**

China Asset Management Co., Ltd.  
3/F Tower B, Tongtai Building  
No. 33 Finance Street  
Xicheng District, Beijing  
People's Republic of China

### **Administrator and Custodian**

Citibank, N.A.  
50/F, Citibank Tower, Citibank Plaza  
3 Garden Road, Central  
Hong Kong

### **Registrar**

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

### **Service Agent**

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

### **Legal Counsel to the Manager**

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

ChinaAMC CSI 300 Index ETF  
(a sub-fund of ChinaAMC ETF Series)

MANAGEMENT AND ADMINISTRATION (continued)

**Participating Dealers**

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

BOCI Securities Limited  
18/F, Grand Millennium Plaza  
181 Queen's Road  
Central, Hong Kong

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

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

CITIC Securities Brokerage (HK) Limited  
26/F CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

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

Deutsche Securities Asia Limited  
52/F, International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

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

Guotai Junan Securities (Hong Kong) Limited  
27/F, Low Block, Grand Millennium Plaza  
181 Queen's Road  
Central, Hong Kong

Haitong International Securities Company Limited  
35/F, Infinitus Plaza  
199 Des Voeux Road  
Central, Hong Kong

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

Morgan Stanley Hong Kong Securities Limited  
46/F, International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

Nomura International (Hong Kong) Limited  
30/F, Two International Finance Centre  
8 Finance Street  
Central, Hong Kong

SG Securities (HK) Limited  
Pacific Place 3, 38/F  
1 Queen's Road East  
Admiralty, Hong Kong

Standard Chartered Bank (Hong Kong) Limited  
32/F 4-4A Des Voeux Road  
Central, Hong Kong

The Hongkong and Shanghai Banking  
Corporation Limited  
Level 18, HSBC Main Building  
1 Queen's Road  
Central, Hong Kong

UBS Securities Hong Kong Limited  
42/F, One Exchange Square  
Central, Hong Kong

REPORT OF THE MANAGER TO THE UNITHOLDERS

**Introduction**

The ChinaAMC CSI 300 Index ETF (the "Sub-Fund"), a sub-fund of ChinaAMC ETF Series, an umbrella unit trust established under Hong Kong law by a trust deed dated 28 May 2012 between China Asset Management (Hong Kong) Limited (the "Manager") and Cititrust Limited (the "Trustee") and as amended by supplemental deeds on 10 August 2012 and 19 November 2014. The Sub-Fund is a physical exchange traded fund investing directly in underlying A-Shares. Its RMB counter (stock code: 83188) and HKD counter (stock code: 03188) commenced trading on the Stock Exchange of Hong Kong Limited (the "SEHK") on 17 July 2012 and 26 October 2012 respectively. The Sub-Fund is an index-tracking fund that seeks to track the performance of the CSI 300 Index (the "Index").

The Manager primarily uses a full replication strategy through investing directly in securities included in the Index with substantially the same weightings in which they are included in the Index, through the Renminbi Qualified Foreign Institutional Investor ("RQFII") investment quota of RMB10.5 billion (as of 31 December 2014) granted to the Manager by the State Administration of Foreign Exchange (the "SAFE"). The Manager may also use a representative sampling strategy where it is not possible to acquire certain securities which are constituents of the Index due to restrictions or limited availability. This means that the Sub-Fund will invest directly in a representative sample of securities that collectively has an investment profile that aims to reflect the profile of the Index, through the RQFII investment quota granted to the Manager by the SAFE. The securities constituting the representative sample may or may not themselves be constituents of the Index.

**Performance of the Sub-Fund**

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective.

A summary of the performance of the Sub-Fund is in below:

Total Returns in respective currency<sup>1, 2</sup>:

	1-Month	3-Month	Since Launch
The Index	25.81%	44.17%	47.25% <sup>3</sup>
RMB Counter of the Sub-Fund (NAV-to-NAV)	25.78%	42.50%	47.14% <sup>3</sup>
RMB Counter of the Sub-Fund (Market-to-Market)	22.68%	39.35%	41.94% <sup>4</sup>
HKD Counter of the Sub-Fund (NAV-to-NAV)	24.62%	41.29%	54.70% <sup>5</sup>
HKD Counter of the Sub-Fund (Market-to-Market)	21.50%	38.10%	52.57% <sup>6</sup>

<sup>1</sup> Source: Bloomberg, as of 31 December 2014. Performances of CSI 300 Index and RMB Counter of the Sub-Fund are calculated in RMB while performances of HKD Counter of the Sub-Fund are calculated in HKD.

<sup>2</sup> Past performance figures shown are not indicative of the future performance of the Sub-Fund

<sup>3</sup> Calculated since 16 July 2012

<sup>4</sup> Calculated since 17 July 2012

<sup>5</sup> Calculated since 25 October 2012

<sup>6</sup> Calculated since 26 October 2012

ChinaAMC CSI 300 Index ETF  
(a sub-fund of ChinaAMC ETF Series)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

**Activities of the Sub-Fund**

According to Bloomberg, the average daily trading volume of the Sub-Fund was approximately 7,912,785 units from 1 January 2014 to 31 December 2014. As of 31 December 2014, there were 355,100,000 units outstanding.

**Activities of the Index**

There were two rebalances for the Index from 1 January 2014 to 31 December 2014. As of 31 December 2014, the Sub-Fund comprised of all 300 constituent stocks in the Index.

China Asset Management (Hong Kong) Limited  
20 April 2015

ChinaAMC CSI 300 Index ETF  
(a sub-fund of ChinaAMC ETF Series)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, China Asset Management (Hong Kong) Limited, the Manager of ChinaAMC CSI 300 Index ETF (the "Sub-Fund") has, in all material respects, managed the Sub-Fund in accordance with the provisions of the trust deed dated 28 May 2012 as amended by supplemental deeds on 10 August 2012 and 19 November 2014 (the "Trust Deed"), for the year ended 31 December 2014.

Cititrust Limited  
20 April 2015



## STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

### **Manager's responsibilities**

The Manager of the ChinaAMC CSI 300 Index ETF (a sub-fund of ChinaAMC ETF Series) is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code") and the trust deed dated 28 May 2012 as amended by supplemental deeds on 10 August 2012 and 19 November 2014 (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-Fund will continue in operation unless it is inappropriate to assume this.

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

ChinaAMC ETF Series (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 December 2014, the Trust has established with two sub-funds.

### **Trustee's responsibilities**

The Trustee of the Sub-Fund is required to:

- ensure that the Sub-Fund is managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period on the conduct of the Manager in the management of the Sub-Fund.

## **Independent Auditors' Report**

To the unitholders of ChinaAMC CSI 300 Index ETF  
(a sub-fund of ChinaAMC ETF Series)

We have audited the financial statements of ChinaAMC CSI 300 Index ETF (a sub-fund of ChinaAMC ETF Series (the "Trust") and referred to as the "Sub-Fund") set out on pages 9 to 36, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in assets attributable to unitholders, statement of cash flows and statement of distribution for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Trustee and the Manager of the Sub-Fund are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the Trustee and the Manager 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 Trustee and the Manager also have a responsibility to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 28 May 2012 as amended by supplemental deeds on 10 August 2012 and 19 November 2014 (the "Trust Deed"), and the relevant disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission of Hong Kong (the "SFC Code").

### **Auditors' responsibility**

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

We conducted our audits 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 misstatements, and whether the financial statements are in accordance with the disclosure provisions of the Trust Deed and the disclosure requirements specified in Appendix E of 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 auditors' 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 auditors consider internal control relevant to the entity's preparation of the financial statements that give a true and fair value in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee and the Manager, 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 Auditors' Report (continued)**

To the unitholders of ChinaAMC CSI 300 Index ETF  
(a sub-fund of ChinaAMC ETF Series)

**Opinion**

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

**Report on other legal and regulatory requirements**

In our opinion, the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed and the disclosure requirements specified in Appendix E of the SFC Code.

Hong Kong  
20 April 2015

ChinaAMC CSI 300 Index ETF  
(a sub-fund of ChinaAMC ETF Series)

STATEMENT OF FINANCIAL POSITION

31 December 2014

	Notes	2014 RMB	2013 RMB
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	12	11,900,403,350	9,254,914,504
Other receivable		2,195,076	2,512,211
Cash and cash equivalents	14	<u>105,751,957</u>	<u>93,245,039</u>
<b>TOTAL ASSETS</b>		<u>12,008,350,383</u>	<u>9,350,671,754</u>
<b>LIABILITIES</b>			
Management fee payable	5	17,678,636	5,561,079
Custodian, fund administration and trustee fees payable	5	3,050,361	2,714,611
Withholding tax provision	7	116,842,305	168,332,385
Amounts due to broker	8	–	668,978
Amounts payable on subscription of units	9	299,073	–
Amounts payable on redemption of units	9	31,068,412	–
Other payables and accruals		<u>1,368,593</u>	<u>1,040,982</u>
<b>TOTAL LIABILITIES</b>		<u>170,307,380</u>	<u>178,318,035</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	11	<u>11,838,043,003</u>	<u>9,172,353,719</u>
<b>NUMBER OF UNITS IN ISSUE</b>	11	<u>335,100,000</u>	<u>397,050,000</u>
<b>NET ASSET VALUE PER UNIT</b>	11	<u>35.3269</u>	<u>23.1013</u>

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

ChinaAMC CSI 300 Index ETF  
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STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Notes	2014 RMB	2013 RMB
<b>INCOME</b>			
Dividend income		209,179,963	276,459,676
Interest income		413,316	620,427
Other income		–	82,815
		<u>209,593,279</u>	<u>277,162,918</u>
<b>EXPENSES</b>			
Management fees	5	( 59,007,430)	( 81,426,414)
Brokerage fees		( 9,136,202)	( 8,281,987)
Custodian, fund administration and trustee fees	5	( 5,900,743)	( 8,142,585)
Audit fee		( 308,073)	( 138,794)
Index licensing fee		( 50,880)	( 50,351)
Data licensing fee		( 3,107,452)	( 4,654,646)
Professional fee		( 346,156)	( 256,438)
Formation costs		–	( 2,011,667)
Other operating expenses		( 8,566,778)	( 10,658,546)
		<u>( 86,423,714)</u>	<u>( 115,621,428)</u>
<b>PROFIT BEFORE INVESTMENT AND EXCHANGE DIFFERENCES</b>		123,169,565	161,541,490
<b>INVESTMENT GAINS/(LOSSES) AND EXCHANGE DIFFERENCES</b>			
Net change in unrealised gains/(losses) on financial assets at fair value through profit or loss		3,861,558,134	(1,177,721,317)
Net realised gains on financial assets at fair value through profit or loss		344,305,351	91,039,364
Net foreign exchange losses		–	( 644)
		<u>4,205,863,485</u>	<u>(1,086,682,597)</u>
<b>NET INVESTMENTS AND EXCHANGE GAINS/(LOSSES)</b>		4,205,863,485	(1,086,682,597)
<b>PROFIT/(LOSS) BEFORE TAX</b>		4,329,033,050	( 925,141,107)
Withholding tax credit/(expenses)	7	<u>29,410,344</u>	<u>( 63,423,422)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>4,358,443,394</u>	<u>( 988,564,529)</u>

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

ChinaAMC CSI 300 Index ETF  
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Year ended 31 December 2014

	Note	RMB
At 1 January 2013		14,118,488,634
Issue of units		1,555,635,866
Redemption of units		( 5,438,848,252)
Total comprehensive income		( 988,564,529)
Distribution to unitholders	10	<u>( 74,358,000)</u>
At 31 December 2013 and 1 January 2014		9,172,353,719
Issue of units		4,055,311,057
Redemption of units		( 5,640,065,167)
Total comprehensive income		4,358,443,394
Distribution to unitholders	10	<u>( 108,000,000)</u>
At 31 December 2014		<u>11,838,043,003</u>

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

ChinaAMC CSI 300 Index ETF  
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STATEMENT OF CASH FLOWS

Year ended 31 December 2014

	Note	2014 RMB	2013 RMB
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		4,329,033,050	( 925,141,107)
Adjustments for:			
Net realised gains on financial assets at fair value through profit or loss		( 344,305,351)	( 91,039,364)
Net change in unrealised (gains)/losses on financial assets at fair value through profit or loss		( 3,861,558,134)	1,177,721,317
Operating gains before changes in working capital		<u>123,169,565</u>	<u>161,540,846</u>
Purchase of financial assets at fair value through profit or loss		( 4,939,991,059)	( 3,411,757,248)
Proceeds from sale of financial assets at fair value through profit or loss		6,499,696,720	7,162,868,933
Decrease/(increase) in other receivable		317,135	( 576,713)
Increase/(decrease) in management fee payable		12,117,557	( 1,338,131)
Increase in custodian, fund administration and trustee fees payable		335,750	448,207
Increase in other payables and accruals		327,611	262,622
Cash generated from operations		<u>1,695,973,279</u>	<u>3,911,448,516</u>
Tax paid		( 22,079,736)	( 29,833,434)
Net cash flows from operating activities		<u>1,673,893,543</u>	<u>3,881,615,082</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution paid to unitholders		( 108,000,000)	( 74,358,000)
Proceeds from issue of units		4,055,610,130	1,555,635,866
Payments on redemption of units		( 5,608,996,755)	( 5,438,848,252)
Net cash flows used in financing activities		<u>( 1,661,386,625)</u>	<u>( 3,957,570,386)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		12,506,918	( 75,955,304)
Cash and cash equivalents at beginning of year		<u>93,245,039</u>	<u>169,200,343</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	14	<u><u>105,751,957</u></u>	<u><u>93,245,039</u></u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
Cash at bank	14	<u><u>105,751,957</u></u>	<u><u>93,245,039</u></u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:</b>			
Dividend received		187,141,559	246,688,285
Interest received		371,984	558,384

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

ChinaAMC CSI 300 Index ETF  
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STATEMENT OF DISTRIBUTION

Year ended 31 December 2014

	Note	RMB
Undistributed income at 31 December 2012		–
Total comprehensive income		( 988,564,529)
Add: net losses on financial assets at fair value through profit or loss		<u>1,086,681,953</u>
Undistributed income before distribution		98,117,424
Interim distribution declared on 16 July 2013 (RMB0.18 per unit)	10	( 74,358,000)
Transfer to capital		<u>( 23,759,424)</u>
Undistributed income at 31 December 2013 and 1 January 2014		–
Total comprehensive income		4,358,443,394
Less: net gains on financial assets at fair value through profit or loss		<u>( 4,205,863,485)</u>
Undistributed income before distribution		152,579,909
Interim distribution declared on 16 July 2014 (RMB0.30 per unit)	10	( 108,000,000)
Transfer to capital		<u>( 44,579,909)</u>
Undistributed income at 31 December 2014		<u>–</u>

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



## NOTES TO FINANCIAL STATEMENTS

31 December 2014

### 1. THE TRUST

ChinaAMC ETF Series (the "Trust") is an umbrella unit trust governed by its trust deed dated 28 May 2012 as amended by supplemental deeds on 10 August 2012 and 19 November 2014 (the "Trust Deed") between China Asset Management (Hong Kong) Limited (the "Manager") and Cititrust Limited (the "Trustee"). It is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") pursuant to Section 104(1) of the Securities and Futures Ordinance of Hong Kong.

These financial statements relate to the first sub-fund of the Trust, ChinaAMC CSI 300 Index ETF (the "Sub-Fund"). The Sub-Fund commenced trading under the stock codes 83188 (RMB counter) and 03188 (HKD counter) on the Stock Exchange of Hong Kong Limited ("SEHK") on 17 July 2012 and 26 October 2012, respectively. On 27 February 2013, the Sub-Fund commenced trading under the stock code 1575 on the Tokyo Stock Exchange ("TSE").

Pursuant to the guidelines on management and operation of Renminbi Qualified Foreign Institutional Investor ("RQFII") issued by the State of Administration of Foreign Exchange ("SAFE") on and effective from 30 May 2014, a RQFII has the flexibility to allocate its RQFII quota granted by SAFE across different public fund products under its management. Accordingly, the Sub-Fund no longer has the exclusive use of all the RQFII quota previously granted by SAFE to the Manager in respect of the Sub-Fund. The Manager, at its discretion, may re-allocate the RQFII quota in respect of the Sub-Fund to other public fund products under its management or vice versa without having to obtain prior approval from SAFE.

The investment objective of the Sub-Fund is to provide investment results that closely correspond to the performance of the CSI 300 Index (the "Index"). The Sub-Fund is a physical exchange traded fund investing directly in the underlying A-Shares of the Index.

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standard Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds of the SFC (the "SFC Code").

They have been prepared under the historical cost basis, except for financial assets classified at fair value through profit or loss that have been measured at fair value. These financial statements are presented in Chinese Renminbi ("RMB") and all values are rounded to the nearest RMB except where otherwise indicated.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Sub-Fund has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IAS 32	<i>Offsetting Financial Assets and Financial Liabilities</i>
Amendments to IFRS 13	<i>Short-term Receivables and Payables</i>
included in <i>Annual Improvements 2010-2012 Cycle</i>	

The adoption of these new and revised IFRSs have had no significant financial effect on these financial statements.

## NOTES TO FINANCIAL STATEMENTS

31 December 2014

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Sub-Fund has not applied the following new and revised IFRSs that have been issued but are not yet effective, in these financial statements.

IFRS 9	<i>Financial Instruments</i> <sup>1</sup>
IFRS 15	<i>Revenue from Contracts with Customer</i> <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2017

Further information about those IFRSs that are expected to be applicable to the Sub-Fund is as follows:

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015.

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

The Sub-Fund is currently assessing the impact of IFRS 9 and IFRS 15, and plans to adopt the new standards on the required effective date.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial instruments

##### (i) Classification

The Sub-Fund classifies its financial assets and liabilities into the following categories, in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*.

##### *Financial assets at fair value through profit or loss*

Financial assets designated as at fair value through profit or loss upon initial recognition: these include equity securities. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Sub-Fund.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Sub-Fund includes in this category amounts relating to other receivable.

NOTES TO FINANCIAL STATEMENTS

31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Classification (continued)

*Financial liabilities*

This category includes all financial liabilities. The Sub-Fund includes in this category amounts relating to management fee payable, custodian, fund administration and trustee fees payable, amounts payable on subscription of units, amounts payable on redemption of units and other payables and accruals.

(ii) Recognition

The Sub-Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

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

(iii) Initial measurement

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

Loans and receivables and financial liabilities are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

After initial measurement, the Sub-Fund measures financial instruments which are classified as at fair value through profit or loss, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net change in unrealised gains/losses on financial assets at fair value through profit or loss. Interest and dividend earned on these instruments are recorded separately in interest income and dividend income.

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

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

## NOTES TO FINANCIAL STATEMENTS

31 December 2014

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### (iv) Subsequent measurement (continued)

When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

##### (v) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Sub-Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either

- the Sub-Fund has transferred substantially all the risks and rewards of the asset, or
- the Sub-Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Sub-Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Sub-Fund's continuing involvement in the asset. In that case, the Sub-Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Fund has retained. The Sub-Fund derecognises a financial liability when the obligation under the liability is discharged.

#### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Sub-Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO FINANCIAL STATEMENTS

31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Fund determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of financial assets

The Sub-Fund assesses at the end of each reporting period whether a financial asset or group of financial assets classified as loans and receivables is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as 'credit loss expense'.

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Sub-Fund. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a previous write-off is later recovered, the recovery is credited to the profit or loss.

Interest revenue on impaired financial assets is recognised using the rate of interest to discount the future cash flows for the purpose of measuring the impairment loss.

Offsetting financial instruments

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

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand, demand deposits, short-term deposits in banks and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as cash and cash equivalents.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

## NOTES TO FINANCIAL STATEMENTS

31 December 2014

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Redeemable units

Redeemable units are classified as an equity instrument when:

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

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

- (a) 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
- (b) The effect of substantially restricting or fixing the residual return to the redeemable unitholders.

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 to be classified as equity, the Sub-Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Sub-Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

Upon issuance of redeemable units, the consideration received is included in equity. Transaction costs incurred by the Sub-Fund in issuing or acquiring its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Own equity instruments that are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

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

#### Dividend income

Dividend income is recognised when the Sub-Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income.

## NOTES TO FINANCIAL STATEMENTS

31 December 2014

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income as it accrues, using the effective interest method.

#### Net change in unrealised gains or losses on financial assets at fair value through profit or loss

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

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

#### Net realised gains or losses on disposal of financial investment

Realised gains and losses on disposals of financial instruments classified as at fair value through profit or loss are calculated using the weighted average method. They represent the difference between an instrument's average cost and disposal amount.

#### Foreign currency

These financial statements are presented in RMB, which is the Sub-Fund's functional and presentation currency. Foreign currency transactions recorded by the Sub-Fund are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or transaction of monetary items are recognised in the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

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

#### Functional currency

The Sub-Fund's functional currency is RMB, which is the currency of the primary economic environment in which it operates. The Sub-Fund's performance is evaluated and its liquidity is managed in RMB. Moreover, the net asset value per unit at the time of issue or redemption is determined and units quoted on the SEHK are denominated in RMB. Therefore, the RMB is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Sub-Fund's presentation currency is also RMB.

#### Taxes

In some jurisdictions, dividend income, interest income and capital gains are subject to withholding tax deducted at the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment gains in the statement of comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

## NOTES TO FINANCIAL STATEMENTS

31 December 2014

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Distributions to unitholders

Distributions are at the discretion of the Sub-Fund. A distribution to the Sub-Fund's unitholders is accounted for as a deduction from net assets attributable to unitholders. A proposed distribution is recognised as a liability in the year in which it is approved by the Manager. No distribution will be paid out of the Sub-Fund's capital.

#### Related parties

A party is considered to be related to the Sub-Fund if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Sub-Fund;
  - (ii) has significant influence over the Sub-Fund; or
  - (iii) is a member of the key management personnel of the Sub-Fund or of a parent of the Sub-Fund;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Sub-Fund are members of the same trust;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Fund or an entity related to the Sub-Fund;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a); and a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND CHANGES IN ACCOUNTING ESTIMATES

The preparation of the Sub-Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### Going concern

The Sub-Fund's Manager has made an assessment of the Sub-Fund's ability to continue as a going concern and is satisfied that the Sub-Fund has the resources to continue in business for the foreseeable future. Furthermore, the Manager is not aware of any material uncertainties that may cast significant doubt upon the Sub-Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

#### Taxation

In preparing these financial statements, the Manager 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.



NOTES TO FINANCIAL STATEMENTS

31 December 2014

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND CHANGES IN ACCOUNTING ESTIMATES  
(continued)

Taxation (continued)

In light of the uncertainty on the income tax treatment on capital gains and in order to meet this potential tax liability for capital gains, the Manager reserves the right to provide for the withholding basis on such gains or income and withhold the tax for the account of the Sub-Fund. Prior to 27 January 2014, the Manager made a provision of 10% for the account of the Sub-Fund in respect of any potential PRC withholding income tax ("WIT") on capital gains.

The Manager believed that the Sub-Fund is eligible to the potential advantage from the arrangement between the Mainland China and the Hong Kong Special Administration Region for the Avoidance of Double Taxable and its Prevention of Fiscal Evasion with respect to taxes as income (the "China-HK Arrangements"). On 27 January 2014, the Sub-Fund changed its accounting estimate in respect of PRC withholding tax provision after obtaining a tax advice from a tax advisor by obtaining a Hong Kong Tax Resident Certificate ("HKRTC") to evidence its Hong Kong tax resident status. Such change was announced by the Manager through the Hong Kong Exchanges and Clearing Limited ("HKEx") dated 27 January 2014 (the "Announcement") for changes in respect of its WIT policy on behalf of the Sub-Fund.

With effect from 27 January 2014, no WIT provision is made by the Sub-Fund on the capital gains derived from trading of A-Shares, except for those capital gains derived from trading of A-Shares issued by PRC resident companies which are "land rich companies" as defined in the Announcement.

On 17 November 2014, the Sub-Fund changed its accounting estimates in respect of PRC withholding tax provision which was announced by the Manager through the HKEx dated 17 November 2014 (the "2<sup>nd</sup> Announcement") for changes in respect of its WIT policy on behalf of the Sub-Fund.

The Ministry of Finance of the PRC (the "MoF"), the State Administration of Taxation of the PRC ("SAT") and the China Securities Regulatory Commission (the "CSRC") issued the "Notice on the issues of temporary exemption from the imposition of corporate income tax arising from gains from the transfer of equity investment assets such as PRC domestic stocks by Qualified Foreign Institutional Investor ("QFII") and RQFII" ("關於 QFII 和 RQFII 取得中國境內的股票等權益性投資資產轉讓所得暫免徵收企業所得稅問題的通知") Caishui [2014] No.79 on 14 November 2014 (the "Notice"). The Notice states that PRC corporate income tax will be imposed on capital gains derived by QFII and RQFII from equity investment assets (including PRC domestic stocks) prior to 17 November 2014 ("capital gains tax") in accordance with laws. The Notice also states that RQFIIs without an establishment or two places of business in the PRC will be temporarily exempt from corporate income tax on gains derived from the trading of A-Shares effective from 17 November 2014.

The Notice stipulates that RQFIIs would be subject to capital gains tax on gains realised before 17 November 2014 in accordance with existing regulations and shall be temporarily exempted from capital gains tax from 17 November 2014. The Manager believed that the Sub-Fund is eligible to the potential advantage from the China-HK Arrangements, however, the treaty application was in progress. The Manager decided to take a prudent approach to:

- (a) make a tax provision for capital gains tax at 10% of the Sub-Fund's respective gross realised capital gains derived from trading of A-Shares since the Sub-Fund's respective date of inception up to and including 14 November 2014. This excludes the realised gains derived from the Sub-Fund's trading of A-Shares issued by land rich companies (for which a provision had already been made previously), and

NOTES TO FINANCIAL STATEMENTS

31 December 2014

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND CHANGES IN ACCOUNTING ESTIMATES  
(continued)

Taxation (continued)

(b) reverse the tax provision for capital gains tax made prior to 17 November 2014 on the Sub-Fund's respective gross unrealised capital gains derived from investment in A-Shares issued by land rich companies.

With effect from 17 November 2014, no WIT provision is made by the Sub-Fund on the capital gains derived from trading of A-Shares. The 2<sup>nd</sup> Announcement and the updated addendum to Prospectus dated 26 November 2014 are available on the Manager's website.

Upon any future resolution of the above-mentioned uncertainty or further changes to tax law or policies, the Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary.

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

The following is a summary of significant related party transactions entered into during the year between the Sub-Fund, the Trustee and the Manager and their connected persons. Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the year between the Sub-Fund, 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:

Management fees

The Manager is entitled to receive a management fee from the Sub-Fund, at a rate of 0.70% (up to maximum of 1%) per annum with respect to the net asset value of the Sub-Fund calculated and accrued on each dealing day and are paid monthly in arrears. The Manager is responsible for the payment of the investment advisory fees, if any, to the investment adviser, China Asset Management Co., Ltd., out of its fees received from the Sub-Fund.

The management fees incurred during the year ended 31 December 2014 was RMB59,007,430 (2013: RMB81,426,414). As at 31 December 2014, a management fee of RMB17,678,636 (2013: RMB5,561,079) was payable to the Manager.

Custodian, fund administration and trustee fees

Custodian fees and fund administration fees pertain to the amounts charged by the Trustee as safe keeping and fund administration fees. The Trustee will bear the fees of Citibank, N.A. (the "Administrator and Custodian") and Citibank (China) Co., Limited (the "PRC Custodian").

The Trustee is entitled to receive a trustee fee from the Sub-Fund which is accrued on each dealing day and is paid monthly in arrears. The trustee fee is calculated as a percentage per annum of the net asset value of the Sub-Fund at the current rate ranging from 0.07% to 0.10%, subject to a monthly minimum of US\$4,000.

Under the terms of the Trust Deed, the Trustee may, after consulting the Manager, on giving not less than one month's notice to unitholders, increase the rate of the trustee fee payable in respect of the Sub-Fund up to or towards the maximum rate of 1% per annum of the net asset value of the Sub-Fund accrued daily and calculated as at each dealing day and payable monthly in arrears.

NOTES TO FINANCIAL STATEMENTS

31 December 2014

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

The custodian, fund administration and trustee fees for the year ended 31 December 2014 was RMB5,900,743 (2013: RMB8,142,585). As at 31 December 2014, custodian, fund administration and trustee fees of RMB2,414,361 (2013: RMB2,222,611) and transaction fee of RMB636,000 (2013: RMB492,000) were payable to the Trustee.

Cash and cash equivalents

Bank balances are maintained with the Administrator and Custodian and the PRC Custodian of the Sub-Fund. Bank balances deposited with the Administrator and Custodian and the PRC Custodian as at 31 December 2014 and 31 December 2013 are summarised below:

	2014 RMB	2013 RMB
Cash at bank	<u>105,751,957</u>	<u>93,245,039</u>

The carrying amount of cash at bank approximates their fair value as at year end.

6. SOFT COMMISSION ARRANGEMENTS

The Manager and its connected persons have not received any soft dollar commissions or entered into any soft dollar arrangements in respect of the management of the Sub-Fund for the years ended 31 December 2014 and 31 December 2013. The Manager and its connected persons have not retained any cash rebates from any broker or dealer.

7. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Fund as the dividend income and realised gain on disposal of investment 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 ten per-cent (10%) PRC withholding income tax has been levied on dividend and interest payments from PRC-listed companies to foreign investors. The Sub-Fund is subject to a distribution tax of ten per-cent (10%). There is no assurance that the rate of the distribution tax will not be changed by the PRC tax authorities in the future. The distribution tax provided for the year ended 31 December 2014 was RMB22,079,736 (2013: RMB29,833,434).

Capital gains tax

A ten per-cent (10%) PRC withholding tax may also be payable on the gains derived from the sale of A-Shares by RQFII as described in note 4 above. PRC withholding income tax credit on capital gains, including unrealised gains and realised gains, amounting to RMB51,490,080 (2013: expenses of RMB33,589,988), was recognised by the Sub-Fund for the year ended 31 December 2014.

8. AMOUNTS DUE TO BROKER

Amounts due to broker represent amounts payable for investments purchased but not yet settled as at 31 December 2013.

NOTES TO FINANCIAL STATEMENTS

31 December 2014

9. AMOUNTS PAYABLE ON SUBSCRIPTION/REDEMPTION OF UNITS

The balance represents the amounts payable on subscription/redemption of units and is expected to be settled within one month.

10. DISTRIBUTION

	Distribution RMB	Distribution per unit RMB
Distribution declared by the Manager on		
- 16 July 2014 (paid on 24 July 2014)	108,000,000	0.30
- 16 July 2013 (paid on 24 July 2013)	74,358,000	0.18

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

11. THE REDEEMABLE UNITS

	2014 Number of units	2013 Number of units
Units in issue at the beginning of the year	397,050,000	565,500,000
Issue of units	168,150,000	65,100,000
Redemption of units	<u>(230,100,000)</u>	<u>(233,550,000)</u>
Units in issue at the end of the year	<u>335,100,000</u>	<u>397,050,000</u>
	At last trade market price RMB	At last trade market price RMB
Dealing net asset value at the end of the year	<u>11,838,043,003</u>	<u>9,172,353,719</u>
Dealing net asset value per unit at the end of the year	<u>35.3269</u>	<u>23.1013</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.

Units are denominated in RMB and no fractions of a unit shall be created or issued by the Trustee. Units of the Sub-Fund are offered and issued at their dealing net asset value only in aggregations of a specified number of application units (the "Application Unit"). Units are redeemable only in an Application Unit or multiple thereof at the dealing net asset value. Currently, creation and redemption of units are effected in cash.

NOTES TO FINANCIAL STATEMENTS

31 December 2014

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014 RMB	2013 RMB
Financial assets designated as at fair value through profit or loss:		
Listed equity securities	<u>11,900,403,350</u>	<u>9,254,914,504</u>

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows an analysis of the Sub-Fund's financial assets measured at fair value at 31 December 2014 and 31 December 2013:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<u>2014</u>				
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	<u>11,706,218</u>	<u>156,344</u>	<u>37,841</u>	<u>11,900,403</u>
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<u>2013</u>				
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	<u>9,131,098</u>	<u>106,328</u>	<u>17,489</u>	<u>9,254,915</u>

Transfers between Level 1 and Level 2

As at 31 December 2014, the Sub-Fund reclassified five listed equity securities from Level 1 to Level 2 following the suspension of trading of the investments. Those financial assets are namely (1) Dongxu Optoelectronic Technology Co., Ltd. (stock code: 000413), (2) Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (stock code: 600332), (3) Inner Mongolia Junzheng Energy & Chemical Industry Co., Ltd (stock code: 601216), (4) China Baoan Group Co., Ltd (stock code: 000009) and (5) Harbin Pharmaceutical Group Co., Ltd (stock code: 600664).

As at 31 December 2013, the Sub-Fund reclassified four listed equity securities from Level 1 to Level 2 following the suspension of the investments. Those financial assets are namely, (1) Chongqing Changan Automobile Co., Ltd (stock code: 000625), (2) Founder Securities Co., Ltd (stock code: 601901), (3) Minmetals Development Co., Ltd (stock code: 600058) and (4) Shandong Gold Mining Co., Ltd (stock code: 600547). As at 31 December 2014, they were transferred out from Level 2 to Level 1.

Transfers between levels of fair value hierarchy, are deemed to have occurred at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

31 December 2014

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Transfers between Level 1 and Level 2 (continued)

The following table shows the total amount of all transfers of financial assets at fair value through profit or loss from Level 1 to Level 2 of the fair value hierarchy:

	Transfer from Level 1 to Level 2	
	2014	2013
	RMB	RMB
Financial assets designated as at fair value through profit or loss		
- Listed equity securities	<u>80,541,348</u>	<u>106,327,867</u>

Transfers between Level 1 and Level 3

As at 31 December 2014, the Sub-Fund reclassified two listed equity securities from Level 1 to Level 3 due to suspension of trading. Those financial assets are namely (1) Hubei Energy Group Co Ltd ("Hubei Energy") (stock code: 000883) and (2) Shanghai Chengtou Holding Co., Ltd. ("Shanghai Chengtou") (stock code: 600649). The Manager did not expect the trading of such listed equity would resume before the date of authorisation of the Sub-Fund's financial statements for the year ended 31 December 2014.

As at 31 December 2013, the Sub-Fund reclassified its investment in Hong Yuan Securities Co., Ltd ("Hong Yuan") from Level 1 to Level 3 due to the suspension of Hong Yuan's listed equity on 30 October 2013 (stock code: 000562). The Manager did not expect the trading of such listed equity would resume before the date of authorisation of the Sub-Fund's financial statements for the year ended 31 December 2013. Hong Yuan subsequently resumed trading in 2014, and suspended from trading temporarily as at 31 December 2014, the Sub-Fund reclassified Hong Yuan from Level 3 to Level 2 as at 31 December 2014 as discussed in the following section.

Transfers between levels of fair value hierarchy, are deemed to have occurred at the end of the reporting period.

The following table shows the total amount of all transfers of financial assets at fair value through profit or loss from Level 1 to Level 3 of the fair value hierarchy:

	Transfer from Level 1 to Level 3	
	2014	2013
	RMB	RMB
Financial assets designated as at fair value through profit or loss		
- Listed equity securities	<u>37,841,200</u>	<u>17,489,160</u>

Transfers between Level 2 and Level 3

As at 31 December 2014, the Sub-Fund reclassified its investment in Hong Yuan from Level 3 to Level 2 due to temporary suspension of trading. The Manager oversaw between the date of suspension of Hong Yuan and resumption subsequent to year end is within a reasonable time with no material gap-down when trading resumed.

Transfers between levels of fair value hierarchy, are deemed to have occurred at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

31 December 2014

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Transfers between Level 2 and Level 3 (continued)

The following table shows the total amount of all transfers of financial assets at fair value through profit or loss from Level 3 to Level 2 of the fair value hierarchy:

	Transfer from Level 3 to Level 2	
	2014	2013
	RMB	RMB
Financial assets designated as at fair value through profit or loss		
- Listed equity securities	<u>75,802,718</u>	<u>-</u>

Valuation techniques

*Listed equity securities traded in active market with quoted market prices*

When fair values of listed equity securities at the reporting date are based on quoted market prices or binding dealer price quotations, in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy. The Sub-Fund values these investments at last trade prices.

*Listed equity securities temporarily suspended on year end date*

In the absence of a quoted price in an active market, the Manager applied market approach in which they have used the last trade price before their suspension trading as there has been no expected material gap-down. Adjustments are made to the valuations when necessary to recognise the differences of timing between the date of suspension and resume which is within a reasonable time and the price fluctuation when the investments resume trading subsequent to year end. To the extent that the significant inputs are observable, the Sub-Fund categorises these investments as Level 2.

*Listed equity securities suspended on year end date and has not resumed prior to the date of authorisation of the financial statements*

The fair value of suspended investments which do not resume trading in a short period of time subsequent to year end, for which there is an absence of quoted prices, the fair value was estimated by the Manager by multiplying the net asset value per share by the average industry price to book value ratio ("P/B ratio") and then adjusting the valued price by a liquidity discount. Such valuation method is generally accepted in the industry. The Sub-Fund classifies these investments as Level 3.

Valuation process for Level 3 valuations

The valuation of suspended investment is performed on a quarterly basis by the Operations Team and reviewed by the senior management of the Manager. The latest valuation is compared with the valuations in the preceding quarters. If fair value changes are higher than certain thresholds set, the changes are further considered by the senior management of the Manager. The Manager considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods are applied to support the valuation arising from the method chosen. There were no changes in valuation techniques during the year.

NOTES TO FINANCIAL STATEMENTS

31 December 2014

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Quantitative information of significant unobservable inputs – Level 3

Description	RMB	Valuation technique	Unobservable input	Range
31 December 2014				
Equity securities				
- Hubei Energy	20,811,672	P/B ratio	Average industry P/B ratio Liquidity discount	0.98 – 3.08 15% – 35%
- Shanghai Chengtou	17,029,528	P/B ratio	Average industry P/B ratio Liquidity discount	1.27 – 6.89 15% – 35%
31 December 2013				
Equity securities				
- Hong Yuan	17,489,160	Price to earnings ("P/E") multiple	Average industry P/E Liquidity discount	22.63 – 62.36 25% - 30%

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2014 and 31 December 2013 are as shown below:

Description	Input	Sensitivity used	Effect on the fair value of investment RMB	Effect on the net assets attributable to unitholders* RMB
31 December 2014				
Equity securities				
- Hubei Energy	Average industry P/B ratio	5%	620,224	620,224
	Average industry P/B ratio	( 5%)	( 620,224)	( 620,224)
	Liquidity discount	10%	( 1,653,931)	( 1,653,931)
	Liquidity discount	( 10%)	1,653,931	1,653,931
- Shanghai Chengtou	Average industry P/B ratio	5%	1,398,862	1,398,862
	Average industry P/B ratio	( 5%)	( 1,398,862)	( 1,398,862)
	Liquidity discount	10%	( 3,730,298)	( 3,730,298)
	Liquidity discount	( 10%)	3,730,298	3,730,298
31 December 2013				
Equity securities				
- Hong Yuan	Average industry P/E	5%	998,985	899,086
	Average industry P/E	( 5%)	( 998,985)	( 998,985)
	Liquidity discount	10%	( 2,854,242)	( 2,854,242)
	Liquidity discount	( 10%)	2,854,242	2,568,817

\* For the year ended 31 December 2013, a ten percent (10%) PRC withholding tax may be payable on the gains derived from the sale of A-Shares. The withholding tax will have a negative impact to the net assets attributable to the unitholders. The sensitivity analysis has taken in account of such impact.



NOTES TO FINANCIAL STATEMENTS

31 December 2014

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Quantitative information of significant unobservable inputs – Level 3 (continued)

*Hubei Energy and Shanghai Chengtou*

Significant increase/(decrease) in the average industry P/B ratio would result in a significantly higher/(lower) fair value measurement as at 31 December 2014. Significant increase/(decrease) in the liquidity discount would result in a significant (lower)/higher fair value measurement as at 31 December 2014.

*Hong Yuan*

Significant increase/(decrease) in the average industry P/E would result in a significantly higher/(lower) fair value measurement as at 31 December 2013. Significant increase/(decrease) in the liquidity discount would result in a significant (lower)/higher fair value measurement as at 31 December 2013.

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

	Financial assets designated as at fair value through profit or loss Equity securities	
	2014 RMB	2013 RMB
Opening balance	17,489,160	15,894,151
Transfer into Level 3	37,841,200	17,489,160
Total gains in profit or loss	54,028,644	-
Purchases	11,514,770	-
Sales	( 7,229,856)	-
Transfer out from Level 3	<u>(75,802,718)</u>	<u>(15,894,151)</u>
Closing balance	<u>37,841,200</u>	<u>17,489,160</u>
Total gains and losses for the year included in net change in unrealised gains/(losses) on financial assets at fair value through profit or loss for the year	<u>14,883,686</u>	<u>( 348,269)</u>

14. CASH AND CASH EQUIVALENTS

	2014 RMB	2013 RMB
Cash at bank	<u>105,751,957</u>	<u>93,245,039</u>

The cash at bank held with the Administrator and Custodian and the PRC Custodian, was placed into accounts bearing floating interest.

## NOTES TO FINANCIAL STATEMENTS

31 December 2014

### 15. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

According to Chapter 7.1 of the investment limitations and prohibitions of a collective investment scheme, the value of a Sub-Fund's holding of securities issued by any single issuer may not exceed 10% of its total net asset value.

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

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

The SFC Code further provides that, if the investment limits stated above are breached, the management company should take as a priority objective all steps as are necessary within a reasonable period of time to remedy the situation, taking due account of the interests of the holders.

The Trust Deed of the Trust also contains provisions mirroring the above provisions of the SFC Code.

The Manager and Trustee have confirmed that the Sub-Fund has complied with this limit during the year.

There were no investment of which A-Shares or basket of A-Shares accounted for more than 10% of the net asset value of the Sub-Fund as at 31 December 2014 and 31 December 2013.

### 16. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

#### Risk management

Risk is inherent in the Sub-Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring. The Manager is responsible for identifying and controlling risks. In perspective of risk management, the Sub-Fund's objective is to create and protect value for unitholders.

The Sub-Fund is exposed to market risk (which includes price risk, interest rate risk and currency risk), credit risk and liquidity risk arising from the financial instruments it holds.

#### (a) Market risk

##### (i) Equity price risk

Market price risk is the risk that the value of financial instrument will fluctuate as a result of changes in market prices, either caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Fund invested substantially all of its assets in A-Shares of those PRC companies comprising the Index in substantially the same weightings as constituted in CSI 300 Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the Index.

NOTES TO FINANCIAL STATEMENTS

31 December 2014

16. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk management (continued)

(a) Market risk (continued)

(i) Equity price risk (continued)

When there are changes in the constituent A-Shares comprised in the Index and/or their respective weightings within the Index, the Manager will rebalance the composition of the relevant investment holdings or the underlying dynamic basket of A-Shares of selected constituent companies of the Index.

As at 31 December 2014 and 31 December 2013, the Sub-Fund's investments were concentrated in the following industries.

	2014		2013	
	Fair value RMB	% of net asset value	Fair value RMB	% of net asset value
<b>A-Shares holdings</b>				
<b>– By sectors</b>				
Consumer Discretionary	1,188,569,031	10.04%	1,107,410,849	12.07%
Consumer Staples	656,704,767	5.55%	615,815,489	6.71%
Energy	421,992,845	3.56%	486,172,142	5.30%
Financials	5,282,102,301	44.62%	3,545,888,381	38.66%
Health Care	587,400,563	4.96%	630,293,217	6.87%
Industrials	1,837,456,945	15.52%	1,292,815,513	14.09%
Information Technology	537,072,198	4.54%	417,436,671	4.55%
Materials	843,800,611	7.13%	750,189,909	8.18%
Telecommunication				
Services	88,267,585	0.75%	76,321,494	0.83%
Utilities	457,036,504	3.86%	332,570,839	3.63%
	<u>11,900,403,350</u>	<u>100.53%</u>	<u>9,254,914,504</u>	<u>100.89%</u>

Sensitivity analysis in the event of a possible change in the Index by 5% as estimated by the Manager

As at 31 December 2014, if the Index was to increase by 5% (2013: 5%) with all other variables held constant, this would increase the pre-tax profit for the year by approximately RMB595 million (2013: RMB463 million). Conversely, if the Index was to decrease by 5% (2013: 5%), this would decrease the pre-tax profit for the year by an approximately equal amount. The above sensitivity is affected by the tracking difference of the Sub-Fund.

(ii) Interest rate risk

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

The Manager considers that the Sub-Fund is not subject to significant risk due to fluctuations in the prevailing level of market interest rate. As the Sub-Fund has no investments in fixed income assets, the Manager considers that changes in the fair value of its net assets in the event of a change in market interest rates will not be material. Therefore, no sensitivity analysis is presented.

(iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

NOTES TO FINANCIAL STATEMENTS

31 December 2014

16. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk management (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

Approximately 100% (2013: 100%) of the Sub-Fund's sales and purchases were denominated in RMB, the Sub-Fund's functional currency. Assets and liabilities held by the Sub-Fund are mainly denominated in RMB. Therefore, the Manager considers the Sub-Fund is not exposed to significant currency risk and no sensitivity analysis is presented.

(b) Credit and counterparty risk

Credit risk is the risk of loss to the Sub-Fund that may arise on outstanding financial instruments should a counterparty default on its obligations. The Sub-Fund minimises exposure to credit risk by only dealing with creditworthy counterparties.

All transactions by the Sub-Fund in securities are settled/paid for upon delivery using approved broker. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of bank deposits and assets held with the Custodian. The tables below summarise the Sub-Fund's assets placed with banks and the PRC Custodian and their related credit ratings from Standard & Poor's ("S&P"):

31 December 2014

	RMB	Credit rating	Source of credit rating
<u>Banks</u>			
Citibank, N.A.	9,999,878	A	S&P
Citibank (China) Co., Limited	97,947,155	A	S&P
<u>PRC Custodian</u>			
Citibank (China) Co., Limited	11,900,403,350	A	S&P

31 December 2013

	RMB	Credit rating	Source of credit rating
<u>Banks</u>			
Citibank, N.A.	50,000,000	A	S&P
Citibank (China) Co., Limited	45,757,250	A	S&P
<u>PRC Custodian</u>			
Citibank (China) Co., Limited	9,254,914,504	A	S&P

The Sub-Fund's maximum exposure to credit risk at the end of the reporting period is the carrying amount of total assets as shown on the statement of financial position.

NOTES TO FINANCIAL STATEMENTS

31 December 2014

16. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash or 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 and 31 December 2013, the Sub-Fund held liquid assets, comprising financial assets at fair value through profit or loss, cash and cash equivalents, and other receivables that are expected to readily generate cash inflows for managing liquidity risk.

The tables below summarise the maturity profile of Sub-Fund's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

**At 31 December 2014**

	Due on demand RMB'000	Due within 1 month RMB'000	1 month to 1 year RMB'000	Total RMB'000
<b><u>Financial assets</u></b>				
Financial assets at fair value through profit or loss	–	11,862,562	37,841	11,900,403
Other receivable	–	2,195	–	2,195
Cash and cash equivalents	105,752	–	–	105,752
Total financial assets	<u>105,752</u>	<u>11,864,757</u>	<u>37,841</u>	<u>12,008,350</u>
<b><u>Financial liabilities</u></b>				
Management fee payable	–	17,679	–	17,679
Custodian, fund administration and trustee fees payable	–	3,050	–	3,050
Amounts payable on subscription of units	299	–	–	299
Amounts payable on redemption of units	31,068	–	–	31,068
Financial liabilities included in other payables	–	–	1,369	1,369
Total financial liabilities	<u>31,367</u>	<u>20,729</u>	<u>1,369</u>	<u>53,465</u>

**At 31 December 2013**

	Due on demand RMB'000	Due within 1 month RMB'000	1 month to 1 year RMB'000	Total RMB'000
<b><u>Financial assets</u></b>				
Financial assets at fair value through profit or loss	–	9,237,426	17,489	9,254,915
Other receivable	–	2,512	–	2,512
Cash and cash equivalents	93,245	–	–	93,245
Total financial assets	<u>93,245</u>	<u>9,239,938</u>	<u>17,489</u>	<u>9,350,672</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2014

16. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk management (continued)

(c) Liquidity risk (continued)

**At 31 December 2013**

	Due on demand RMB'000	Due within 1 month RMB'000	1 month to 1 year RMB'000	Total RMB'000
<b><u>Financial liabilities</u></b>				
Management fee payable	–	5,561	–	5,561
Custodian, fund administration and trustee fees payable	–	2,715	–	2,715
Amounts due to broker	669	–	–	669
Financial liabilities included in other payables	–	–	1,041	1,041
Total financial liabilities	<u>669</u>	<u>8,276</u>	<u>1,041</u>	<u>9,986</u>

Capital management

The Sub-Fund's capital is represented by its net assets attributable to unitholders. The Sub-Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

The Manager manages the capital of the Sub-Fund in accordance with the Sub-Fund's investment objectives and policies stated in the prospectus.

17. SEGMENT INFORMATION

The Manager makes the strategic resource allocations 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 each 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 statement of comprehensive income.

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

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 its tracked index.

NOTES TO FINANCIAL STATEMENTS

31 December 2014

18. EVENTS AFTER THE REPORTING PERIOD

Effective from 13 March 2015, the Sub-Fund may have direct access to certain A-Shares via the Shanghai-Hong Kong Stock Connect (the "Stock Connect"). Up to 100% of the Sub-Fund's respective net asset value will be invested through either RQFII and/or the Stock Connect.

19. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 20 April 2015.

ChinaAMC CSI 300 Index ETF  
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO

31 December 2014

	Holdings Shares	Market Value RMB	% of NAV
<b><u>Financial assets at fair value through profit or loss (100%)</u></b>			
<b>China (100%)</b>			
<b>Consumer Discretionary</b>			
Beijing Enlight Media Co Ltd	578,100	13,666,284	0.11%
Beiqi Foton Motor Co Ltd	2,408,255	15,075,676	0.13%
BesTV New Media Co., Ltd.	951,571	36,045,510	0.30%
BYD Co Ltd	664,834	25,363,417	0.21%
Chengdu B-ray Media Co Ltd	931,221	10,010,626	0.08%
China International Travel Service Co Ltd	556,636	24,714,638	0.21%
China South Publishing & Media Group Co Ltd	1,024,285	17,003,131	0.14%
Chinese Universe Publishing And Media Co Ltd	671,563	8,945,219	0.08%
Chongqing Changan Automobile Co Ltd	3,212,725	52,785,072	0.45%
CITIC Guoan Information Industry Co Ltd	1,340,799	15,043,765	0.13%
FAW Car Co Ltd	1,161,377	17,583,248	0.15%
Fuyao Glass Industry Group Co.,Ltd	1,991,497	24,176,774	0.20%
Great Wall Motor Co Ltd	570,167	23,690,439	0.20%
Gree Electric Appliances,Inc. of Zhuhai	3,423,844	127,093,089	1.07%
Guangdong Advertising Co Ltd	656,796	14,232,769	0.12%
Guangdong Alpha Animation and Culture Co Ltd	271,433	8,007,274	0.07%
Haining China Leather Market Co Ltd	819,066	13,031,340	0.11%
Heilan Home Co.,Ltd	1,275,959	12,887,186	0.11%
Hisense Electric Co Ltd	1,119,495	12,795,828	0.11%
Huawen Media Investment Corp	1,684,468	19,034,488	0.16%
Huayi Brothers Media Co Ltd	1,232,517	32,501,473	0.27%
HUAYU Automotive Systems Company Limited	1,467,995	22,724,563	0.19%
Hunan TV & Broadcast Intermediary Co Ltd	1,008,631	17,025,691	0.14%
Jiangsu Phoenix Publishing & Media Co Ltd	1,089,562	11,723,687	0.10%
Jishi Media Co., Ltd.	1,249,922	14,349,105	0.12%
Liaoning Cheng Da Co Ltd	2,035,696	43,747,107	0.37%
Midea Group Co., Ltd	2,999,973	82,319,259	0.70%
Pangda Automobile Trade Co Ltd	1,838,396	10,938,456	0.09%
Qingdao Haier Co Ltd	2,168,885	40,254,506	0.34%
SAIC Motor Co Ltd	4,704,703	101,009,973	0.85%
Shanghai Oriental Pearl (Group) Co Ltd	2,269,922	31,415,721	0.27%
Shanghai Yuyuan Tourist Mart Co Ltd	1,435,565	16,968,378	0.14%
Shenzhen MTC Co Ltd	908,736	6,906,394	0.06%
Shenzhen Overseas Chinese Town Co Ltd	5,175,773	42,700,127	0.36%
Sichuan Changhong Electric Co Ltd	5,255,305	24,489,720	0.21%
Suning Commerce Group Co., Ltd.	6,302,692	56,724,228	0.48%
TCL Corporation	10,753,675	40,863,965	0.35%
Wanxiang Qianchao Co Ltd	1,357,547	16,114,083	0.14%
Wasu Media Holding Co., Ltd	98,951	2,453,985	0.02%
Weifu High-Technology Group Co Ltd	842,929	22,615,785	0.19%
Youngor Group Co Ltd	2,215,901	25,505,021	0.22%
Zhe Jiang Daily Media Group Co.,Ltd	842,093	15,317,672	0.13%



ChinaAMC CSI 300 Index ETF  
(a sub-fund of ChinaAMC ETF Series)

INVESTMENT PORTFOLIO (continued)

31 December 2014

	<b>Holdings Shares</b>	<b>Market Value RMB</b>	<b>% of NAV</b>
<b><u>Financial assets at fair value through profit or loss (100%)</u></b>			
<b>(continued)</b>			
<b>China (100%) (continued)</b>			
<b>Consumer Discretionary (continued)</b>			
Zhejiang Huace Film & TV Co Ltd	362,741	9,097,544	0.08%
Zhejiang Yasha Decoration Co Ltd	507,216	9,616,815	0.08%
<b>Consumer Staples</b>			
Beijing Dabeinong Technology Group Co Ltd	1,143,415	15,344,629	0.13%
Beijing Yanjing Brewery Co Ltd	2,003,084	16,004,641	0.14%
Beingmate Baby & Child Food Co., Ltd.	873,182	14,136,817	0.12%
Bright Dairy & Food Co Ltd	870,505	15,199,017	0.13%
By-Health Co., Ltd	371,100	9,648,600	0.08%
Foshan Haitian Flavouring and Food Company Ltd.	212,300	8,481,385	0.07%
Gansu Yasheng Industrial (Group) Co Ltd	2,211,048	20,651,188	0.17%
Henan Shuanghui Investment & Development Co Ltd	939,103	29,628,700	0.25%
Inner Mongolia Yili Industrial Group Co Ltd	4,249,155	121,653,308	1.03%
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	459,673	36,337,151	0.31%
Jointown Pharmaceutical Group Co Ltd	468,912	8,473,240	0.07%
Kweichow Moutai Co Ltd	649,333	123,126,523	1.04%
Luzhou Lao Jiao Co Ltd	999,087	20,381,375	0.17%
Meihua Holdings Group Co., Ltd	2,210,571	15,827,688	0.13%
New Hope Liuhe Co., Ltd	888,222	12,435,108	0.11%
Shanghai Bailian Group Co.,Ltd.	1,096,708	19,620,106	0.17%
Shanghai Jahwa United Co Ltd	765,130	26,259,262	0.22%
Shanxi Xinghuacun Fen Wine Factory Co Ltd	368,028	8,424,161	0.07%
Shenzhen Agricultural Products Co Ltd	1,929,551	25,277,118	0.21%
Tsingtao Brewery Co Ltd	496,831	20,757,599	0.18%
Wuliangye Yibin Co Ltd	2,702,127	58,095,731	0.49%
Yantai Changyu Pioneer Wine Co Ltd	192,448	6,708,737	0.06%
Yonghui Superstores Co Ltd	2,782,168	24,232,683	0.20%
<b>Energy</b>			
China Coal Energy Co Ltd	2,616,518	18,106,304	0.15%
China Oilfield Services Limited	838,990	17,425,822	0.15%
China Petroleum & Chemical Corporation	7,903,591	51,294,306	0.43%
China Shenhua Energy Co Ltd	4,690,952	95,179,416	0.80%
Guanghui Energy Co., Ltd.	4,465,720	37,333,419	0.32%
Guizhou Panjiang Refined Coal Co Ltd	704,347	8,395,816	0.07%
Jizhong Energy Resources Co Ltd	1,166,549	9,729,019	0.08%
Offshore Oil Engineering Co Ltd	2,518,572	26,520,563	0.22%
PetroChina Co Ltd	5,530,221	59,781,689	0.50%
Shaanxi Coal Industry Company Limited	683,577	4,545,787	0.04%
Shanxi Lu'an Environmental Energy Development Co Ltd	1,309,859	15,115,773	0.13%

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INVESTMENT PORTFOLIO (continued)

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	Holdings Shares	Market Value RMB	% of NAV
<b><u>Financial assets at fair value through profit or loss (100%)</u></b>			
<b>(continued)</b>			
<b>China (100%) (continued)</b>			
<b>Energy (continued)</b>			
Shanxi Xishan Coal And Electricity Power Co Ltd	2,239,108	18,405,468	0.16%
Wintime Energy Co Ltd	3,028,980	13,206,353	0.11%
Yang Quan Coal Industry (Group) Co., Ltd	1,699,724	15,076,552	0.13%
Yantai Jereh Oilfield Services Group Co Ltd	681,244	20,825,629	0.18%
Yanzhou Coal Mining Co Ltd	838,462	11,050,929	0.09%
<b>Financials</b>			
Agricultural Bank of China Co Ltd	36,968,318	137,152,460	1.16%
Avic Capital Co., Ltd.	2,302,502	41,191,761	0.35%
Bank of Beijing Co Ltd	8,777,097	95,933,670	0.81%
Bank of China Ltd	9,585,312	39,779,045	0.34%
Bank of Communications Co LTD	21,877,130	148,764,484	1.26%
Bank of Nanjing Co Ltd	2,536,302	37,156,824	0.31%
Bank of Ningbo Co Ltd	1,390,020	21,865,015	0.18%
Changjiang Securities Company Limited	4,721,733	79,419,549	0.67%
China Citic Bank Corporation Limited	4,229,496	34,428,097	0.29%
China Construction Bank	13,658,527	91,921,887	0.78%
China Everbright Bank Co Ltd	28,326,003	138,230,895	1.17%
China Fortune Land Development Co., Ltd.	754,359	32,890,052	0.28%
China Life Insurance Company Limited	2,134,427	72,890,682	0.62%
China Merchants Bank Co Ltd	22,995,604	381,497,070	3.22%
China Merchants Property Development Co Ltd	1,467,641	38,731,046	0.33%
China Merchants Securities Co Ltd	3,298,434	93,246,729	0.79%
China Minsheng Banking Corp Ltd	37,693,419	410,104,399	3.47%
China Pacific Insurance (Group) Co Ltd	4,378,622	141,429,491	1.19%
China Vanke Co Ltd	13,533,419	188,114,524	1.59%
CITIC Securities Co Ltd	10,960,234	371,551,933	3.14%
Financial Street Holding Co Ltd	3,403,404	41,963,971	0.35%
Founder Securities Co Ltd	5,707,432	80,417,717	0.68%
Gemdale Corporation	6,393,484	72,949,652	0.62%
GF Securities Co., Ltd.	4,118,014	106,862,463	0.90%
Guoyuan Securities Company Limited	1,399,418	43,619,859	0.37%
Haitong Securities Company Limited	11,267,848	271,104,423	2.29%
Hong Yuan Securities Co Ltd	2,485,335	75,802,718	0.64%
Hua Xia Bank Co Ltd	6,329,927	85,200,817	0.72%
Huatai Securities Co Ltd	3,889,436	95,174,499	0.80%
Industrial and Commercial Bank of China Ltd	24,532,741	119,474,449	1.01%
Industrial Bank	15,947,695	263,136,967	2.22%
Industrial Securities Co Ltd	5,174,018	78,231,152	0.66%

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INVESTMENT PORTFOLIO (continued)

31 December 2014

	Holdings Shares	Market Value RMB	% of NAV
<b><u>Financial assets at fair value through profit or loss (100%)</u></b>			
<b>(continued)</b>			
<b>China (100%) (continued)</b>			
<b>Financials (continued)</b>			
New China Life Insurance Co Ltd	1,188,577	58,905,876	0.50%
Northeast Securities Co Ltd	1,671,923	33,405,022	0.28%
Ping An Bank Co., Ltd.	7,958,695	126,065,729	1.07%
Ping An Insurance (Group) Company of China Ltd	6,658,784	497,477,753	4.20%
Poly Real Estate Group Co Ltd	9,156,363	99,071,848	0.84%
Risesun Real Estate Development Co Ltd	808,547	12,831,641	0.11%
Sealand Securities Co., Ltd.	1,316,840	22,899,848	0.19%
Shanghai Chengtou Holding Co., Ltd.	2,355,398	17,029,527	0.14%
Shanghai Lujiazui Finance and Trade Zone Development Co Ltd	578,984	21,711,900	0.18%
Shanghai Pudong Development Bank Co Ltd	15,563,146	244,185,761	2.06%
Shanxi Securities Co Ltd	1,436,346	22,981,536	0.19%
Sinolink Securities Co. Ltd.	2,209,494	43,725,886	0.37%
Soochow Securities Co Ltd	1,919,464	43,034,383	0.36%
Southwest Securities Co Ltd	1,604,832	35,771,705	0.30%
Western Securities Co., Ltd	681,505	25,522,362	0.22%
Xinhu Zhongbao Co Ltd	3,092,316	22,635,753	0.19%
Zhejiang China Commodities City Group Co Ltd	1,939,123	24,607,471	0.21%
<b>Health Care</b>			
Aier Eye Hospital Group Co Ltd	368,242	10,145,067	0.09%
Beijing SL Pharmaceutical Co Ltd	389,095	15,408,162	0.13%
Beijing Tongrentang Co Ltd	934,670	20,964,648	0.18%
China Resources Sanjiu Medical & Pharmaceutical Co Ltd	559,913	12,687,629	0.11%
Guangxi Wuzhou Zhongheng Group Co Ltd	1,318,181	21,565,441	0.18%
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited	829,109	22,477,145	0.19%
Harbin Pharmaceutical Group Co Ltd	1,359,650	11,801,762	0.10%
Huadong Medicine Co Ltd	309,593	16,287,688	0.14%
Hualan Biological Engineering INC	413,936	13,784,069	0.12%
Humanwell Healthcare (Group) Co., Ltd.	751,546	19,277,155	0.16%
Jiangsu Hengrui Medicine Co Ltd	1,067,509	40,010,237	0.34%
Jilin Aodong Pharmaceutical Group Co., Ltd.	1,018,750	35,462,688	0.30%
Kangmei Pharmaceutical Co Ltd	2,193,533	34,482,339	0.29%
Searainbow Holding Corp	1,019,842	31,900,658	0.27%
Shandong Dong-Ee Jiao Co Ltd	746,136	27,815,950	0.23%
Shanghai Fosun Pharmaceutical (Group) Co Ltd	1,628,720	34,365,992	0.29%
Shanghai Pharmaceuticals Holding Co.,Ltd	1,369,361	22,594,456	0.19%
Shanghai RAAS Blood Products Co Ltd	348,226	15,708,475	0.13%
Shenzhen Hepalink Pharmaceutical Co Ltd	347,070	8,954,406	0.07%
Shenzhen Salubris Pharmaceuticals Co Ltd	279,143	9,895,619	0.08%

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INVESTMENT PORTFOLIO (continued)

31 December 2014

	<b>Holdings Shares</b>	<b>Market Value RMB</b>	<b>% of NAV</b>
<b><u>Financial assets at fair value through profit or loss (100%)</u></b>			
<b>(continued)</b>			
<b>China (100%) (continued)</b>			
<b>Health Care (continued)</b>			
Shijiazhuang Yiling Pharmaceutical Co Ltd	320,499	9,345,751	0.08%
Sichuan Kelun Pharmaceutical Co Ltd	512,411	14,977,774	0.13%
Tasly Pharmaceutical Group Co., Ltd	880,403	36,184,563	0.31%
Tonghua Dongbao Pharmaceutical Co.,Ltd.	1,026,204	16,008,782	0.14%
Xizang Haisco Pharmaceutical Group Co., Ltd	307,435	5,269,436	0.04%
Yunnan Baiyao Group Co., Ltd.	741,506	46,826,104	0.39%
Zhangzhou Pientzhuang Pharmaceutical Co Ltd	112,219	9,839,362	0.08%
Zhejiang Hisun Pharmaceutical Co Ltd	686,571	11,589,318	0.10%
Zhejiang NHU Co Ltd	775,866	11,769,887	0.10%
<b>Industrials</b>			
Air China Ltd	2,419,419	18,968,245	0.16%
Avic Aircraft Co.,Ltd.	1,890,903	35,813,703	0.30%
Beijing Orient Landscape Co Ltd	571,604	10,557,526	0.09%
Beijing Originwater Technology Co Ltd	761,503	26,500,304	0.22%
BlueFocus Communication Group Co Ltd	821,864	17,357,768	0.15%
China Avic Electronics Co.,Ltd.	751,846	20,818,616	0.18%
China Baoan Group Co.,Ltd.	2,144,046	27,765,396	0.23%
China CAMC Engineering Co Ltd	441,876	12,072,052	0.10%
China CNR Co Ltd	6,705,931	47,612,110	0.40%
China Communications Construction Company Limited	3,336,464	46,343,485	0.39%
China CSSC Holdings Limited	981,217	36,167,659	0.31%
China Eastern Airlines Corp Ltd	3,617,449	18,738,386	0.16%
China Gezhouba Group Co Ltd	3,273,737	30,543,966	0.26%
China International Marine Containers (Group) Co Ltd	1,228,971	26,902,175	0.23%
China National Chemical Engineering Co Ltd	2,808,614	26,541,402	0.22%
China Railway Construction Co Ltd	4,282,888	65,356,871	0.55%
China Railway Group Limited	9,728,287	90,473,069	0.76%
China Shipbuilding Industry Co Ltd	10,448,081	96,226,826	0.81%
China Shipping Container Lines Co Ltd	4,514,090	22,299,605	0.19%
China Southern Airlines Co Ltd	5,002,358	25,812,167	0.22%
China Spacesat Co Ltd	841,592	23,968,540	0.20%
China State Construction Engineering Co Ltd	20,921,549	152,308,877	1.29%
China XD Electric Co Ltd	2,923,611	22,716,457	0.19%
CPT Technology (Group) Co Ltd	443,039	6,995,586	0.06%
CSR Co Ltd	7,756,704	49,487,772	0.42%
Daqin Railway Co Ltd	8,238,830	87,825,928	0.74%
Dongfang Electric Corporation Limited	945,445	19,513,985	0.16%
Fangda Carbon New Material Co.,Ltd	1,471,462	14,376,184	0.12%
Guangshen Railway Company Limited	4,825,201	21,809,909	0.18%

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INVESTMENT PORTFOLIO (continued)

31 December 2014

	Holdings Shares	Market Value RMB	% of NAV
<b>Financial assets at fair value through profit or loss (100%) (continued)</b>			
<b>China (100%) (continued)</b>			
<b>Industrials (continued)</b>			
Hafei Aviation Industry Co Ltd	252,125	9,484,943	0.08%
Hainan Airlines Co Ltd	8,390,451	28,695,342	0.24%
Han's Laser Technology Industry Group Co., Ltd.	1,200,585	19,173,342	0.16%
Jiangxi Hongdu Aviation Industry Co Ltd	609,955	17,060,441	0.14%
Luxshare Precision Industry Co., Ltd.	353,823	9,793,821	0.08%
Metallurgical Corporation of China Co Ltd	6,913,363	34,912,483	0.30%
Minmetals Development Co Ltd	611,145	10,670,592	0.09%
NARI Technology Co., Ltd.	2,075,920	30,204,636	0.26%
Neway Valve (Suzhou) Co., Ltd.	213,419	4,148,865	0.04%
Ningbo Port Co Ltd	5,452,122	25,079,761	0.21%
Power Construction Corporation of China, Ltd	4,093,397	34,507,337	0.29%
Sany Heavy Industry Co Ltd	4,336,781	43,281,074	0.37%
Shanghai Construction Co Ltd	1,958,959	16,474,845	0.14%
Shanghai Electric Group Co Ltd	2,797,348	23,078,121	0.20%
Shanghai International Airport Co Ltd	1,369,036	26,860,486	0.23%
Shanghai International Port (Group) Co Ltd	6,470,371	41,539,782	0.35%
Shanghai Wai Gaoqiao Free Trade Zone Development Co Ltd	397,672	12,872,643	0.11%
Shenzhen Inovance Technology Co Ltd	664,376	19,393,135	0.16%
Siasun Robot & Automation Co Ltd	746,019	29,385,688	0.25%
Suzhou Gold Mantis Construction Decoration Co Ltd	1,257,521	21,126,353	0.18%
TBEA Co Ltd	3,685,667	45,628,557	0.39%
Wei Chai Power Co Ltd	1,507,689	41,144,833	0.35%
XCMG Construction Machinery Co Ltd	1,473,941	22,064,897	0.19%
Xiamen C&D Inc	2,380,659	24,235,109	0.20%
Xi'an Aero-Engine Plc	830,250	24,044,040	0.20%
Xinjiang Goldwind Science & Technology Co Ltd	2,185,320	30,878,572	0.26%
XJ Electric Co Ltd	860,907	17,476,412	0.15%
Zhengzhou Yutong Bus Co Ltd	1,266,671	28,284,763	0.24%
Zoomlion Heavy Industry Science & Technology Co Ltd	6,243,839	44,081,503	0.37%
<b>Information Technology</b>			
Aisino Co., Ltd	791,048	24,134,874	0.20%
Beijing Shiji Information Technology Co Ltd	175,430	11,508,208	0.10%
Beijing Xinwei Telecom Technology Group Co., Ltd.	197,059	8,542,508	0.07%
Beijing Zhong Ke San Huan High-Tech Co Ltd	1,215,449	17,976,491	0.15%
BOE Technology Group Co Ltd	14,478,046	48,646,234	0.41%
DHC Software Co., Ltd.	1,075,768	19,267,005	0.16%
Dongxu Optoelectronic Technology Co., Ltd.	1,102,876	8,459,059	0.07%
Fiberhome Telecommunication Technologies Co Ltd	686,436	10,584,843	0.09%
Glodon Software Co Ltd	534,536	11,973,606	0.10%

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INVESTMENT PORTFOLIO (continued)

31 December 2014

	Holdings Shares	Market Value RMB	% of NAV
<b><u>Financial assets at fair value through profit or loss (100%)</u></b>			
<b>(continued)</b>			
<b>China (100%) (continued)</b>			
<b>Information Technology (continued)</b>			
GoerTek Inc	1,085,703	26,632,295	0.22%
Guangzhou Haige Communications Group Incorporated Company	1,132,912	21,887,860	0.18%
Hangzhou Hikvision Digital Technology Co Ltd	1,716,148	38,390,231	0.33%
Hundsun Technologies Inc.	702,617	38,475,307	0.33%
Iflytek Co.,Ltd.	797,024	21,240,690	0.18%
Neusoft Corporation	1,225,576	19,376,356	0.16%
People.cn Co.,Ltd	392,775	16,472,983	0.14%
Sanan Optoelectronics Co.,Ltd	1,697,778	24,142,403	0.20%
Shenzhen Aisidi Co Ltd	288,821	3,136,596	0.03%
Shenzhen O-film Tech Co Ltd	880,300	16,690,488	0.14%
Tianjin Zhonghuan Semiconductor Co., Ltd.	591,010	12,440,760	0.11%
Tsinghua Tongfang Co Ltd	2,497,598	29,171,945	0.25%
Universal Scientific Industrial (Shanghai) Co.,Ltd.	152,328	4,574,410	0.04%
Wangsu Science and Technology Co.,Ltd.	313,821	15,126,172	0.13%
Yonyou Software Co., Ltd	827,387	19,435,321	0.16%
Zhejiang Dahua Technology Co Ltd	832,505	18,273,485	0.16%
ZTE Corporation	2,796,903	50,512,068	0.43%
<b>Materials</b>			
Aluminum Corporation of China Limited	5,449,409	34,058,806	0.29%
Angang Steel Co Ltd	2,614,230	16,077,515	0.14%
Anhui Conch Cement Co Ltd	2,844,725	62,811,528	0.53%
Baoshan Iron &Steel Co Ltd	7,021,849	49,223,161	0.42%
BBMG Corporation	1,542,661	15,642,583	0.13%
China Hainan Rubber Industry Group Co Ltd	1,681,593	14,663,491	0.12%
China Minmetals Rare Earth Co., Ltd.	837,208	25,107,868	0.21%
China Molybdenum Co., Ltd.	337,645	2,954,394	0.02%
Hebei Iron & Steel Co., Ltd	6,035,688	23,116,685	0.20%
Inner Mongolia Baotou Steel Rare-Earth(Group) Hi-Tech Co.,Ltd	2,067,052	53,495,306	0.45%
Inner Mongolia Baotou Steel Union Co Ltd	11,388,095	46,463,428	0.39%
Inner Mongolia Junzheng Energy & Chemical Industry Co Ltd	961,493	10,037,987	0.09%
Inner Mongolia Yili Energy Company Limited	1,189,392	10,609,377	0.09%
Jiangsu Kangde Xin Composite Material Co.,Ltd.	1,074,311	31,122,790	0.26%
Jiangxi Copper Co Ltd	1,182,699	21,808,970	0.18%
Jinduicheng Molybdenum Co Ltd	1,376,685	12,899,538	0.11%
Kingenta Ecological Engineering Group Co., Ltd	442,694	11,908,469	0.10%
Kingfa Sci&Tech Co Ltd	2,185,962	15,061,278	0.13%
Luxin Venture Capital Group Co.,Ltd.	319,706	8,948,571	0.08%
Pangang Group Vanadium Titanium & Resources Co., Ltd.	6,096,114	21,885,049	0.19%
Qinghai Salt Lake Industry Co Ltd	906,140	19,663,238	0.17%
Shandong Gold-Mining Co Ltd	1,008,745	20,023,588	0.17%

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INVESTMENT PORTFOLIO (continued)

31 December 2014

	Holdings Shares	Market Value RMB	% of NAV
<b><u>Financial assets at fair value through profit or loss (100%)</u></b>			
<b>(continued)</b>			
<b>China (100%) (continued)</b>			
<b>Materials (continued)</b>			
Shanxi Taigang Stainless Steel Co Ltd	3,235,811	17,052,724	0.14%
Shenzhen Zhongjin Lingnan Nonfermet Co Ltd	2,058,729	19,537,338	0.17%
Sinopec Shanghai Petrochemical Co Ltd	3,124,249	13,527,998	0.11%
Tangshan Jidong Cement Co Ltd	763,032	9,972,828	0.08%
Tongling Nonferrous Metals Group Co. Ltd	1,090,149	16,875,507	0.14%
Wanhua Chemical Group Co., Ltd.	1,538,050	33,498,729	0.28%
Western Mining Co Ltd	2,712,571	25,064,156	0.21%
Xiamen Tungsten Co Ltd	485,198	16,001,830	0.14%
Xinxing Ductile Iron Pipes Co Ltd	3,115,947	19,256,552	0.16%
Yunnan Chihong Zinc&Germanium Co Ltd	1,428,399	16,583,712	0.14%
Yunnan Copper Co Ltd	1,007,726	14,390,327	0.12%
Yunnan Tin Co Ltd	1,145,630	19,933,962	0.17%
Zhejiang Longsheng Group Co Ltd	1,741,637	34,275,416	0.29%
Zhongjin Gold Co Ltd	2,093,321	22,231,069	0.19%
Zijin Mining Group Co Ltd	11,246,995	38,014,843	0.32%
<b>Telecommunication Services</b>			
China United Network Communications Co Ltd	12,075,275	59,772,611	0.51%
Dr. Peng Telecom&media Group Co., Ltd.	1,584,815	28,494,974	0.24%
<b>Utilities</b>			
Beijing Capital Co Ltd	1,569,182	18,516,348	0.16%
Beijing Jingneng Power Co., Ltd.	1,967,618	12,435,346	0.10%
Chengdu Xingrong Investment Co Ltd	2,542,752	19,426,625	0.16%
China Yangtze Power Co Ltd	7,040,387	75,120,929	0.63%
Chongqing Water Group Co Ltd	1,368,792	12,182,249	0.10%
GD Power Development Co Ltd	12,266,665	56,794,659	0.48%
Huadian Power International Corporation Ltd	3,027,889	21,195,223	0.18%
Huaneng Power International Inc	5,975,972	52,767,833	0.44%
Hubei Energy Group Co Ltd	3,236,652	20,811,672	0.18%
Inner Mongolia Mengdian Huaneng Thermal Power Corp Ltd	4,134,218	18,852,034	0.16%
SDIC Power Holdings Co.,Ltd.	4,833,525	55,295,526	0.47%
Shenergy Co Ltd	3,245,529	20,966,117	0.18%
Shenzhen Energy Group Co Ltd	1,123,085	12,533,629	0.11%
Sichuan Chuantou Energy Co Ltd	1,562,594	32,392,574	0.27%
Sound Environmental Resources Co Ltd	719,163	19,669,108	0.17%
Zhejiang Zheneng Electric Power Co., Ltd.	1,126,448	8,076,632	0.07%
<b>TOTAL INVESTMENTS, AT FAIR VALUE</b>		<b>11,900,403,350</b>	<b>100.53%</b>
<b>TOTAL INVESTMENTS, AT COST</b>		<b>7,978,317,131</b>	

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MOVEMENTS IN INVESTMENT PORTFOLIO

Year ended 31 December 2014

INVESTMENTS	Holdings as at 1 January 2014	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2014
<b><u>Financial assets at fair value through profit or loss</u></b>					
<b>Listed securities</b>					
Agricultural Bank of China Co Ltd	46,361,807	18,793,400	–	28,186,889	36,968,318
Aier Eye Hospital Group Co Ltd	–	378,042	–	9,800	368,242
Air China Ltd	3,032,802	1,222,100	–	1,835,483	2,419,419
Aisino Co.,Ltd	988,476	437,763	–	635,191	791,048
Aluminum Corporation of China Limited	5,136,279	3,370,700	–	3,057,570	5,449,409
Angang Steel Co Ltd	–	2,672,430	–	58,200	2,614,230
Anhui Conch Cement Co Ltd	3,568,513	1,439,039	–	2,162,827	2,844,725
Anhui Gujing Distillery Co Ltd	203,566	22,027	–	225,593	–
Anhui Hengyuan Coal Industry and Electricity Power Co Ltd	887,482	73,400	–	960,882	–
Avic Aircraft Co.,Ltd.	2,369,601	977,725	–	1,456,423	1,890,903
Avic Capital Co., Ltd.	1,357,404	313,000	1,153,951	521,853	2,302,502
Bank of Beijing Co Ltd	9,418,816	4,215,680	1,653,055	6,510,454	8,777,097
Bank of China Ltd	11,337,399	4,716,300	–	6,468,387	9,585,312
Bank of Communications Co Ltd	28,023,851	11,578,600	–	17,725,321	21,877,130
Bank of Nanjing Co Ltd	3,708,751	1,495,600	–	2,668,049	2,536,302
Bank of Ningbo Co Ltd	2,570,515	893,000	–	2,073,495	1,390,020
Baoshan Iron &Steel Co Ltd	8,818,840	3,587,704	–	5,384,695	7,021,849
BBMG Corporation	2,217,508	795,400	–	1,470,247	1,542,661
Beijing Capital Co Ltd	1,957,556	774,851	–	1,163,225	1,569,182
Beijing Dabeinong Technology Group Co Ltd	1,429,661	553,500	–	839,746	1,143,415
Beijing Enlight Media Co Ltd	–	592,800	–	14,700	578,100
Beijing Haohua Energy Resource Co Ltd	858,893	66,300	–	925,193	–
Beijing Jingneng Power Co., Ltd.	–	2,011,718	–	44,100	1,967,618
Beijing Orient Landscape Co Ltd	431,926	346,902	213,771	420,995	571,604
Beijing Originwater Technology Co Ltd	–	776,203	–	14,700	761,503
Beijing Shiji Information Technology Co Ltd	–	180,330	–	4,900	175,430
Beijing SL Pharmaceutical Co Ltd	489,010	221,314	–	321,229	389,095
Beijing Tianhong Baoye Real Estate Co Ltd	2,007,954	775,576	–	2,783,530	–
Beijing Tongrentang Co Ltd	1,171,386	442,597	–	679,313	934,670
Beijing Urban Construction Investment & Development Co Ltd	794,197	70,200	122,120	986,517	–
Beijing Wangfujing Department Store Co Ltd	414,641	36,629	–	451,270	–
Beijing Xinwei Telecom Technology Group Co., Ltd.	–	201,959	–	4,900	197,059
Beijing Yanjing Brewery Co Ltd	2,509,059	1,006,600	–	1,512,575	2,003,084



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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2014

INVESTMENTS (continued)	Holdings as at 1 January 2014	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2014
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Beijing Zhong Ke San Huan High-Tech Co Ltd	1,521,723	612,118	–	918,392	1,215,449
Beingmate Baby & Child Food Co., Ltd.	681,014	455,300	293,768	556,900	873,182
Beiqi Foton Motor Co Ltd	3,011,135	1,219,000	–	1,821,880	2,408,255
BesTV New Media Co., Ltd.	1,192,104	211,162	–	451,695	951,571
BlueFocus Communication Group Co Ltd	–	841,464	–	19,600	821,864
BOE Technology Group Co Ltd	15,199,136	9,474,400	–	10,195,490	14,478,046
Bright Dairy & Food Co Ltd	1,092,485	442,693	–	664,673	870,505
BYD Co Ltd	835,104	331,827	–	502,097	664,834
By-Health Co., Ltd	–	380,900	–	9,800	371,100
Changjiang Securities Company Limited	2,966,286	1,850,500	2,607,868	2,702,921	4,721,733
Chengdu B-ray Media Co Ltd	–	1,242,560	–	311,339	931,221
Chengdu Xingrong Investment Co Ltd	3,194,157	1,302,000	–	1,953,405	2,542,752
Chenzhou Mining Group Co Ltd	1,248,345	101,700	–	1,350,045	–
China Avic Electronics Co.,Ltd.	628,343	523,526	–	400,023	751,846
China Baoan Group Co.,Ltd.	2,237,399	942,573	348,000	1,383,926	2,144,046
China CAMC Engineering Co Ltd	343,785	279,828	55,997	237,734	441,876
China Citic Bank Corporation Limited	5,298,095	2,166,001	–	3,234,600	4,229,496
China CNR Co Ltd	7,366,913	2,607,369	–	3,268,351	6,705,931
China Coal Energy Co Ltd	3,258,329	1,328,900	–	1,970,711	2,616,518
China Communications Construction Company Limited	4,200,000	1,687,500	–	2,551,036	3,336,464
China Construction Bank	17,122,072	6,940,306	–	10,403,851	13,658,527
China CSSC Holdings Limited	982,043	651,880	–	652,706	981,217
China Eastern Airlines Corp Ltd	4,536,822	1,845,800	–	2,765,173	3,617,449
China Everbright Bank Co Ltd	28,873,480	18,206,800	–	18,754,277	28,326,003
China First Heavy Industries Co Ltd	4,676,909	389,900	–	5,066,809	–
China Fortune Land Development Co., Ltd.	941,096	380,459	–	567,196	754,359
China Gezhouba Group Co Ltd	3,733,407	1,945,401	–	2,405,071	3,273,737
China Hainan Rubber Industry Group Co Ltd	2,107,432	827,700	–	1,253,539	1,681,593
China International Marine Containers (Group) Co Ltd	1,540,547	658,938	–	970,514	1,228,971
China International Travel Service Co Ltd	523,343	348,452	–	315,159	556,636
China Life Insurance Company Limited	2,678,044	1,101,904	–	1,645,521	2,134,427

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2014

INVESTMENTS (continued)	Holdings as at 1 January 2014	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2014
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
China Merchants Bank Co Ltd	29,453,687	12,670,796	–	19,128,879	22,995,604
China Merchants Property Development Co Ltd	1,230,891	730,713	475,152	969,115	1,467,641
China Merchants Securities Co Ltd	4,163,415	1,676,984	–	2,541,965	3,298,434
China Minmetals Rare Earth Co., Ltd.	873,662	520,633	–	557,087	837,208
China Minsheng Banking Corp Ltd	40,306,613	19,130,873	7,081,439	28,825,506	37,693,419
China Molybdenum Co., Ltd.	358,845	192,900	–	214,100	337,645
China National Chemical Engineering Co Ltd	3,523,169	1,436,500	–	2,151,055	2,808,614
China Nonferrous Metal Industry's Foreign Engineering & Construction Corp	1,051,035	423,200	–	1,474,235	–
China Oilfield Services Limited	1,056,456	442,726	–	660,192	838,990
China Pacific Insurance (Group) Co Ltd	5,607,416	2,288,782	–	3,517,576	4,378,622
China Petroleum & Chemical Corporation	9,848,823	4,053,100	–	5,998,332	7,903,591
China Petroleum Jilin Chemical Engineering & Construction Co Ltd	1,778,357	698,300	–	2,476,657	–
China Railway Construction Co Ltd	5,499,067	2,214,300	–	3,430,479	4,282,888
China Railway Erju Co Ltd	1,297,906	110,500	–	1,408,406	–
China Railway Group Limited	9,166,003	6,761,600	–	6,199,316	9,728,287
China Resources Double-crane Pharmaceutical Co., Ltd.	610,987	209,380	–	820,367	–
China Resources Sanjiu Medical & Pharmaceutical Co Ltd	696,648	309,600	–	446,335	559,913
China Shenhua Energy Co Ltd	5,886,046	2,451,146	–	3,646,240	4,690,952
China Shipbuilding Industry Co Ltd	10,823,987	7,151,994	–	7,527,900	10,448,081
China Shipping Container Lines Co Ltd	4,251,352	3,164,637	–	2,901,899	4,514,090
China South Publishing & Media Group Co Ltd	957,743	765,770	–	699,228	1,024,285
China Southern Airlines Co Ltd	6,268,259	2,543,000	–	3,808,901	5,002,358
China Spacesat Co Ltd	1,052,431	442,708	–	653,547	841,592
China State Construction Engineering Co Ltd	26,755,312	11,149,200	–	16,982,963	20,921,549
China United Network Communications Co Ltd	15,141,500	6,158,300	–	9,224,525	12,075,275
China Vanke Co Ltd	17,275,274	6,994,658	–	10,736,513	13,533,419
China XD Electric Co Ltd	–	4,040,707	–	1,117,096	2,923,611
China Yangtze Power Co Ltd	8,832,276	3,560,571	–	5,352,460	7,040,387

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2014

INVESTMENTS (continued)	Holdings as at 1 January 2014	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2014
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Chinese Universe Publishing And Media Co Ltd	–	686,263	–	14,700	671,563
Chongqing Changan Automobile Co Ltd	3,355,578	1,839,172	–	1,982,025	3,212,725
Chongqing Dongyuan Industry Development Co Ltd	621,439	423,170	–	1,044,609	–
Chongqing Water Group Co Ltd	1,711,648	715,900	–	1,058,756	1,368,792
CITIC Guoan Information Industry Co Ltd	1,673,141	664,154	–	996,496	1,340,799
CITIC Securities Co Ltd	12,293,278	6,553,615	–	7,886,659	10,960,234
CPT Technology (Group) Co Ltd	248,413	250,883	159,343	215,600	443,039
CSG Holding Co Ltd	2,342,582	909,700	–	3,252,282	–
CSR Co Ltd	8,409,819	2,994,600	–	3,647,715	7,756,704
Daqin Railway Co Ltd	10,608,669	4,315,368	–	6,685,207	8,238,830
Dashang Co Ltd	524,770	44,200	–	568,970	–
Datang Power Generation	5,345,025	2,095,000	–	7,440,025	–
Datong Energy Chemical Co Ltd	1,200,465	92,800	–	1,293,265	–
DHC Software Co.,Ltd.	619,390	601,498	504,502	649,622	1,075,768
Dongfang Electric Corporation Limited	1,191,815	453,476	–	699,846	945,445
Dongxu Optoelectronic Technology Co., Ltd.	–	1,368,576	–	265,700	1,102,876
Dr. Peng Telecom&media Group Co., Ltd.	1,971,357	774,721	–	1,161,263	1,584,815
Fangda Carbon New Material Co.,Ltd	1,530,816	853,100	–	912,454	1,471,462
FAW Car Co Ltd	1,449,494	565,000	–	853,117	1,161,377
Fiberhome Telecommunication Technologies Co Ltd	864,619	332,050	–	510,233	686,436
Financial Street Holding Co Ltd	4,330,422	1,761,879	–	2,688,897	3,403,404
Foshan Haitian Flavouring and Food Company Ltd.	–	217,200	–	4,900	212,300
Founder Securities Co Ltd	5,893,657	3,960,236	–	4,146,461	5,707,432
Fujian Sunner Development Co Ltd	813,706	66,300	–	880,006	–
Fuyao Glass Industry Group Co.,Ltd	2,506,198	999,100	–	1,513,801	1,991,497
Gansu Yasheng Industrial (Group) Co Ltd	2,776,613	1,111,278	–	1,676,843	2,211,048
GD Power Development Co Ltd	15,371,387	6,219,800	–	9,324,522	12,266,665
Gemdale Corporation	7,975,622	3,227,282	–	4,809,420	6,393,484
GF Securities Co., Ltd.	5,279,612	2,120,453	–	3,282,051	4,118,014
Glodon Software Co Ltd	–	706,906	–	172,370	534,536
GoerTek Inc	1,362,235	553,315	–	829,847	1,085,703
Great Wall Motor Co Ltd	717,308	326,899	–	474,040	570,167

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2014

INVESTMENTS (continued)	Holdings as at 1 January 2014	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2014
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Gree Electric Appliances, Inc. of Zhuhai	4,293,937	1,783,776	–	2,653,869	3,423,844
Guangdong Advertising Co Ltd	–	902,242	–	245,446	656,796
Guangdong Alpha Animation and Culture Co Ltd	–	347,733	–	76,300	271,433
Guanghui Energy Co., Ltd.	5,594,917	2,264,000	–	3,393,197	4,465,720
Guangshen Railway Company Limited	6,062,763	2,450,800	–	3,688,362	4,825,201
Guangxi Liugong Machinery Co Ltd	1,405,625	119,300	–	1,524,925	–
Guangxi Wuzhou Zhongheng Group Co Ltd	1,558,136	702,800	–	942,755	1,318,181
Guangzhou Automobile Group Co., Ltd.	1,504,967	573,866	–	2,078,833	–
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited	950,373	363,736	–	485,000	829,109
Guangzhou Haige Communications Group Incorporated Company	–	1,510,012	–	377,100	1,132,912
Guizhou Panjiang Refined Coal Co Ltd	888,848	335,827	–	520,328	704,347
Guoyuan Securities Company Limited	1,749,723	694,000	–	1,044,305	1,399,418
Hafei Aviation Industry Co Ltd	–	257,025	–	4,900	252,125
Hainan Airlines Co Ltd	10,551,904	4,283,400	–	6,444,853	8,390,451
Hainan Xingye Polyester Co Ltd	221,555	109,306	–	330,861	–
Haining China Leather Market Co Ltd	800,231	544,135	–	525,300	819,066
Haitong Securities Company Limited	14,439,318	5,970,678	–	9,142,148	11,267,848
Hangzhou Hikvision Digital Technology Co Ltd	2,149,804	885,329	–	1,318,985	1,716,148
Han's Laser Technology Industry Group Co., Ltd.	–	1,638,259	–	437,674	1,200,585
Harbin Pharmaceutical Group Co Ltd	1,711,770	671,700	–	1,023,820	1,359,650
Hebei Iron & Steel Co., Ltd	7,562,673	3,057,900	–	4,584,885	6,035,688
Heilan Home Co., Ltd	–	1,302,459	–	26,500	1,275,959
Heilongjiang Agriculture Co Ltd	1,269,451	110,500	–	1,379,951	–
Henan Shen Huo Coal Industry and Electricity Power Co Ltd	2,030,946	166,300	–	2,197,246	–
Henan Shuanghui Investment & Development Co Ltd	1,177,677	442,487	–	681,061	939,103
Hengyi Petrochemical Co Ltd	623,848	44,200	24,382	692,430	–
Hisense Electric Co Ltd	1,402,695	553,500	–	836,700	1,119,495
Hong Yuan Securities Co Ltd	2,127,635	905,700	–	548,000	2,485,335

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2014

INVESTMENTS (continued)	Holdings as at 1 January 2014	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2014
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Hua Xia Bank Co Ltd	7,938,358	3,226,855	–	4,835,286	6,329,927
Huadian Power International Corporation Ltd	4,228,310	1,616,900	–	2,817,321	3,027,889
Huadong Medicine Co Ltd	387,963	105,895	–	184,265	309,593
Hualan Biological Engineering INC	517,226	221,233	–	324,523	413,936
Huaneng Power International Inc	7,496,582	3,022,888	–	4,543,498	5,975,972
Huatai Securities Co Ltd	4,992,351	2,014,668	–	3,117,583	3,889,436
Huawen Media Investment Corp	1,697,427	1,101,141	–	1,114,100	1,684,468
Huayi Brothers Media Co Ltd	–	1,257,017	–	24,500	1,232,517
HUAYU Automotive Systems Company Limited	1,842,944	769,949	–	1,144,898	1,467,995
Hubei Energy Group Co Ltd	–	1,994,926	1,924,926	683,200	3,236,652
Humanwell Healthcare (Group) Co., Ltd.	755,026	455,961	–	459,441	751,546
Hunan TV & Broadcast Intermediary Co Ltd	–	1,412,633	–	404,002	1,008,631
Hundsun Technologies Inc.	–	717,317	–	14,700	702,617
Iflytek Co.,Ltd.	584,660	416,250	323,582	527,468	797,024
Industrial and Commercial Bank of China Ltd	29,087,878	12,627,437	–	17,182,574	24,532,741
Industrial Bank	20,397,892	8,572,889	–	13,023,086	15,947,695
Industrial Securities Co Ltd	2,786,079	1,908,400	2,800,859	2,321,320	5,174,018
Inner Mongolia Baotou Steel Rare- Earth(Group) Hi-Tech Co.,Ltd	2,592,435	1,033,401	–	1,558,784	2,067,052
Inner Mongolia Baotou Steel Union Co Ltd	5,635,205	4,162,300	7,053,105	5,462,515	11,388,095
Inner Mongolia Junzheng Energy & Chemical Industry Co Ltd	–	811,033	365,660	215,200	961,493
Inner Mongolia Mengdian Huaneng Thermal Power Corp Ltd	3,465,109	1,761,683	1,504,863	2,597,437	4,134,218
Inner Mongolia Yili Energy Company Limited	–	1,430,292	–	240,900	1,189,392
Inner Mongolia Yili Industrial Group Co Ltd	2,553,588	2,505,609	1,286,342	2,096,384	4,249,155
Jiangsu Hengrui Medicine Co Ltd	1,215,714	553,010	91,193	792,408	1,067,509
Jiangsu Kangde Xin Composite Material Co.,Ltd.	1,335,026	553,232	–	813,947	1,074,311
Jiangsu Phoenix Publishing & Media Co Ltd	1,361,559	512,425	–	784,422	1,089,562
Jiangsu Yanghe Brewery Joint- Stock Co Ltd	578,608	220,957	–	339,892	459,673
Jiangxi Copper Co Ltd	1,481,526	581,449	–	880,276	1,182,699
Jiangxi Hongdu Aviation Industry Co Ltd	766,900	332,100	–	489,045	609,955

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2014

INVESTMENTS (continued)	Holdings as at 1 January 2014	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2014
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Jiansu Zhongnan Construction Group Co. Ltd	619,738	212,822	–	832,560	–
Jilin Aodong Pharmaceutical Group Co., Ltd.	1,278,790	548,600	–	808,640	1,018,750
Jinduicheng Molybdenum Co Ltd	1,730,625	671,200	–	1,025,140	1,376,685
Jishi Media Co., Ltd.	–	1,737,860	–	487,938	1,249,922
Jizhong Energy Resources Co Ltd	1,239,547	710,100	–	783,098	1,166,549
Jointown Pharmaceutical Group Co Ltd	–	621,512	–	152,600	468,912
Kailuan Clean Coal Co Ltd	1,108,490	88,400	–	1,196,890	–
Kangmei Pharmaceutical Co Ltd	2,745,071	1,106,823	–	1,658,361	2,193,533
Kingenta Ecological Engineering Group Co., Ltd	–	540,494	–	97,800	442,694
Kingfa Sci&Tech Co Ltd	2,819,065	1,120,700	–	1,753,803	2,185,962
Kweichow Moutai Co Ltd	741,031	346,328	65,904	503,930	649,333
Lai Bao Hi-Tech	752,357	404,532	–	1,156,889	–
Liaoning Cheng Da Co Ltd	2,437,250	1,040,333	–	1,441,887	2,035,696
Luxin Venture Capital Group Co.,Ltd.	395,525	160,300	–	236,119	319,706
Luxshare Precision Industry Co., Ltd.	–	598,950	–	245,127	353,823
Luzhou Lao Jiao Co Ltd	1,248,181	533,143	–	782,237	999,087
Meihua Holdings Group Co., Ltd	1,659,133	1,592,976	–	1,041,538	2,210,571
Metallurgical Corporation of China Co Ltd	8,677,644	3,539,900	–	5,304,181	6,913,363
Midea Group Co., Ltd	1,204,497	1,557,421	1,372,495	1,134,440	2,999,973
Minmetals Development Co Ltd	834,935	349,176	–	572,966	611,145
Nanjing Xwtec Co Ltd	858,287	317,329	–	1,175,616	–
NARI Technology Co., Ltd.	2,754,001	1,046,351	–	1,724,432	2,075,920
Neusoft Corporation	1,531,217	631,900	–	937,541	1,225,576
New China Life Insurance Co Ltd	1,486,110	576,120	–	873,653	1,188,577
New Hope Liuhe Co., Ltd	1,240,623	500,127	–	852,528	888,222
Neway Valve (Suzhou) Co., Ltd.	–	294,683	–	81,264	213,419
Ningbo Port Co Ltd	6,865,060	2,788,200	–	4,201,138	5,452,122
Northeast Securities Co Ltd	872,227	905,221	688,627	794,152	1,671,923
Oceanwide Construction Group Co Ltd	2,449,057	178,200	–	2,627,257	–
Offshore Oil Engineering Co Ltd	3,157,526	1,281,500	–	1,920,454	2,518,572
Orient Group Incorporation	2,378,230	198,900	–	2,577,130	–
Palm Landscape Architecture Co Ltd	328,998	22,100	–	351,098	–
Pangang Group Vanadium Titanium & Resources Co., Ltd.	7,653,034	3,102,700	–	4,659,620	6,096,114

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2014

INVESTMENTS (continued)	Holdings as at 1 January 2014	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2014
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Pangda Automobile Trade Co Ltd	1,401,241	1,282,000	–	844,845	1,838,396
People.cn Co.,Ltd	147,260	267,441	219,601	241,527	392,775
PetroChina Co Ltd	6,221,959	3,125,601	–	3,817,339	5,530,221
Ping An Bank Co., Ltd.	7,311,069	5,163,266	1,358,165	5,873,805	7,958,695
Ping An Insurance (Group) Company of China Ltd	8,541,742	3,656,041	–	5,538,999	6,658,784
Pingdingshan Tianan Coal Mining Co Ltd	2,103,439	826,900	–	2,930,339	–
Poly Real Estate Group Co Ltd	7,643,748	4,432,071	2,966,274	5,885,730	9,156,363
Power Construction Corporation of China,Ltd	6,853,856	2,160,900	–	4,921,359	4,093,397
Qingdao Haier Co Ltd	2,914,267	1,157,924	–	1,903,306	2,168,885
Qinghai Salt Lake Industry Co Ltd	1,136,294	442,471	–	672,625	906,140
Risesun Real Estate Development Co Ltd	1,335,730	458,200	–	985,383	808,547
SAIC Motor Co Ltd	5,903,289	2,412,536	–	3,611,122	4,704,703
Sanan Optoelectronics Co.,Ltd	1,287,281	867,503	622,472	1,079,478	1,697,778
Sany Heavy Industry Co Ltd	5,430,745	2,218,700	–	3,312,664	4,336,781
SDIC Power Holdings Co.,Ltd.	6,049,197	2,451,890	–	3,667,562	4,833,525
SDIC Xinji Energy Co Ltd	1,859,018	731,300	–	2,590,318	–
Sealand Securities Co., Ltd.	1,235,276	827,665	–	746,101	1,316,840
Searainbow Holding Corp	–	1,430,127	–	410,285	1,019,842
Shaanxi Coal Industry Company Limited	–	956,800	–	273,223	683,577
Shandong Dong-Ee Jiao Co Ltd	935,477	351,046	–	540,387	746,136
Shandong Gold-Mining Co Ltd	1,261,059	345,068	–	597,382	1,008,745
Shandong Nanshan Industrial Co Ltd	2,078,903	813,200	–	2,892,103	–
Shanghai Bailian Group Co.,Ltd.	1,378,015	553,371	–	834,678	1,096,708
Shanghai Chengtuo Holding Co., Ltd.	2,668,711	968,750	–	1,282,063	2,355,398
Shanghai Construction Co Ltd	1,488,328	1,134,556	372,508	1,036,433	1,958,959
Shanghai Electric Group Co Ltd	–	2,857,548	–	60,200	2,797,348
Shanghai Fosun Pharmaceutical (Group) Co Ltd	2,039,341	821,579	–	1,232,200	1,628,720
Shanghai International Airport Co Ltd	1,720,120	668,915	–	1,019,999	1,369,036
Shanghai International Port (Group) Co Ltd	8,120,100	3,133,611	–	4,783,340	6,470,371
Shanghai Jahwa United Co Ltd	840,744	380,386	–	456,000	765,130
Shanghai Lujiazui Finance and Trade Zone Development Co Ltd	727,606	332,054	–	480,676	578,984

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INVESTMENTS (continued)	Holdings as at 1 January 2014	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2014
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Shanghai Metersbonwe Fashion & Accessories Co Ltd	360,030	298,002	–	658,032	–
Shanghai Oriental Pearl (Group) Co Ltd	2,842,600	528,000	–	1,100,678	2,269,922
Shanghai Pharmaceuticals Holding Co.,Ltd	1,717,474	667,100	–	1,015,213	1,369,361
Shanghai Pudong Development Bank Co Ltd	19,972,020	8,431,669	–	12,840,543	15,563,146
Shanghai RAAS Blood Products Co Ltd	–	465,026	–	116,800	348,226
Shanghai Wai Gaoqiao Free Trade Zone Development Co Ltd	432,971	283,327	–	318,626	397,672
Shanghai Yuyuan Tourist Mart Co Ltd	1,798,321	725,439	–	1,088,195	1,435,565
Shanghai Zhangjiang Hi-tech Park Development Co Ltd	1,383,165	529,000	–	1,912,165	–
Shanxi Lanhua Science-Tech Venture Co Ltd	1,223,303	445,220	–	1,668,523	–
Shanxi Lu'an Environmental Energy Development Co Ltd	1,638,830	664,188	–	993,159	1,309,859
Shanxi Securities Co Ltd	1,791,601	708,900	–	1,064,155	1,436,346
Shanxi Taigang Stainless Steel Co Ltd	–	3,305,811	–	70,000	3,235,811
Shanxi Xinghuacun Fen Wine Factory Co Ltd	465,112	221,313	–	318,397	368,028
Shanxi Xishan Coal And Electricity Power Co Ltd	2,806,384	1,123,900	–	1,691,176	2,239,108
Shenergy Co Ltd	4,053,057	1,649,500	–	2,457,028	3,245,529
Shenzhen Agricultural Products Co Ltd	1,819,268	1,381,808	–	1,271,525	1,929,551
Shenzhen Aisidi Co Ltd	–	365,121	–	76,300	288,821
Shenzhen Energy Group Co Ltd	–	1,531,500	–	408,415	1,123,085
Shenzhen Gas Co Ltd	700,861	273,400	–	974,261	–
Shenzhen Hepalink Pharmaceutical Co Ltd	418,164	220,206	–	291,300	347,070
Shenzhen Inovance Technology Co Ltd	–	679,076	–	14,700	664,376
Shenzhen MTC Co Ltd	–	1,239,482	–	330,746	908,736
Shenzhen O-film Tech Co Ltd	333,300	719,092	268,400	440,492	880,300
Shenzhen Overseas Chinese Town Co Ltd	6,489,783	2,644,786	–	3,958,796	5,175,773
Shenzhen Salubris Pharmaceuticals Co Ltd	349,536	110,612	–	181,005	279,143
Shenzhen Zhongjin Lingnan Nonfemet Co Ltd	2,585,390	1,017,293	–	1,543,954	2,058,729



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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2014

INVESTMENTS (continued)	Holdings as at 1 January 2014	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2014
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Shijiazhuang Yiling Pharmaceutical Co Ltd	201,410	271,089	–	152,000	320,499
Siasun Robot & Automation Co Ltd	–	760,719	–	14,700	746,019
Sichuan Changhong Electric Co Ltd	6,590,192	2,668,500	–	4,003,387	5,255,305
Sichuan Chuantou Energy Co Ltd	1,765,506	841,288	–	1,044,200	1,562,594
Sichuan Kelun Pharmaceutical Co Ltd	428,459	230,305	193,982	340,335	512,411
Sinolink Securities Co. Ltd.	922,164	915,866	1,283,030	911,566	2,209,494
Sinoma International Engineering Co Ltd	779,733	66,300	–	846,033	–
Sinopec Shanghai Petrochemical Co Ltd	3,922,840	1,578,200	–	2,376,791	3,124,249
Soochow Securities Co Ltd	2,144,549	981,500	–	1,206,585	1,919,464
Sound Environmental Resources Co Ltd	690,861	347,150	153,425	472,273	719,163
Southwest Securities Co Ltd	2,074,871	763,301	–	1,233,340	1,604,832
Suning Commerce Group Co., Ltd.	7,902,745	3,294,041	–	4,894,094	6,302,692
Suning Universal Co Ltd	1,453,115	586,900	–	2,040,015	–
Suzhou Gold Mantis Construction Decoration Co Ltd	1,048,588	611,381	417,071	819,519	1,257,521
Tangshan Jidong Cement Co Ltd	961,324	390,362	–	588,654	763,032
Tasly Pharmaceutical Group Co., Ltd	1,105,073	407,577	–	632,247	880,403
TBEA Co Ltd	4,702,213	2,302,280	985,251	4,304,077	3,685,667
TCL Corporation	15,108,637	5,533,200	–	9,888,162	10,753,675
The Pacific Securities Co.Ltd	2,061,551	176,800	–	2,238,351	–
Tiandi Science & Technology Co Ltd	866,560	66,300	–	932,860	–
Tianjin Zhonghuan Semiconductor Co., Ltd.	627,313	390,100	–	426,403	591,010
Tonghua Dongbao Pharmaceutical Co.,Ltd.	–	1,432,546	–	406,342	1,026,204
Tongling Nonferrous Metals Group Co. Ltd	1,271,601	602,222	–	783,674	1,090,149
Tsinghua Tongfang Co Ltd	2,750,222	1,275,676	–	1,528,300	2,497,598
Tsingtao Brewery Co Ltd	620,952	221,219	–	345,340	496,831
Universal Scientific Industrial (Shanghai) Co.,Ltd.	361,063	110,549	–	319,284	152,328
Wangsu Science and Technology Co.,Ltd.	–	318,721	–	4,900	313,821
Wanhua Chemical Group Co., Ltd.	1,929,605	796,463	–	1,188,018	1,538,050
Wanxiang Qianchao Co Ltd	–	1,386,947	–	29,400	1,357,547
Wasu Media Holding Co., Ltd	114,877	142,841	–	158,767	98,951
Wei Chai Power Co Ltd	1,889,557	774,897	–	1,156,765	1,507,689

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2014

INVESTMENTS (continued)	Holdings as at 1 January 2014	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2014
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Weifu High-Technology Group Co Ltd	1,060,109	442,575	–	659,755	842,929
Western Mining Co Ltd	3,400,895	1,374,600	–	2,062,924	2,712,571
Western Securities Co., Ltd	645,401	390,000	–	353,896	681,505
Wintime Energy Co Ltd	1,888,316	1,408,600	1,459,916	1,727,852	3,028,980
Wuliangye Yibin Co Ltd	3,383,649	1,350,176	–	2,031,698	2,702,127
XCMG Construction Machinery Co Ltd	2,206,268	881,379	–	1,613,706	1,473,941
Xiamen C&D Inc	2,401,787	1,203,300	503,136	1,727,564	2,380,659
Xiamen Tungsten Co Ltd	488,112	310,414	–	313,328	485,198
Xi'An Aero-Engine Plc	969,590	472,185	–	611,525	830,250
Xi'an Shaangu Power Co Ltd	1,171,978	89,700	–	1,261,678	–
Xinhu Zhongbao Co Ltd	4,477,891	1,801,844	–	3,187,419	3,092,316
Xinjiang Goldwind Science & Technology Co Ltd	2,736,958	1,106,819	–	1,658,457	2,185,320
Xinxing Ductile Iron Pipes Co Ltd	2,594,186	1,347,100	1,135,630	1,960,969	3,115,947
Xizang Haisco Pharmaceutical Group Co., Ltd	388,142	112,556	–	193,263	307,435
XJ Electric Co Ltd	700,811	421,684	301,555	563,143	860,907
Yang Quan Coal Industry (Group) Co., Ltd	2,147,015	880,700	–	1,327,991	1,699,724
Yantai Changyu Pioneer Wine Co Ltd	241,513	110,453	–	159,518	192,448
Yantai Jereh Oilfield Services Group Co Ltd	426,132	447,825	181,851	374,564	681,244
Yanzhou Coal Mining Co Ltd	1,051,977	442,800	–	656,315	838,462
Yonghui Superstores Co Ltd	1,162,232	1,823,804	917,432	1,121,300	2,782,168
Yonyou Software Co., Ltd	857,994	427,833	132,647	591,087	827,387
Youngor Group Co Ltd	2,787,865	1,114,209	–	1,686,173	2,215,901
Yunnan Baiyao Group Co., Ltd.	620,357	357,881	239,270	476,002	741,506
Yunnan Chihong Zinc&Germanium Co Ltd	1,491,946	697,785	–	761,332	1,428,399
Yunnan Copper Co Ltd	1,259,827	501,804	–	753,905	1,007,726
Yunnan Tin Co Ltd	820,843	797,387	–	472,600	1,145,630
Yunnan Yuntianhua Co Ltd	809,795	291,000	–	1,100,795	–
Zhangzhou Pientzehuang Pharmaceutical Co Ltd	143,164	162,306	–	193,251	112,219
Zhangzidao Group Co., Ltd.	506,908	36,553	–	543,461	–
Zhe Jiang Daily Media Group Co.,Ltd	–	989,893	–	147,800	842,093
Zhejiang China Commodities City Group Co Ltd	2,426,412	996,267	–	1,483,556	1,939,123
Zhejiang Dahua Technology Co Ltd	1,022,029	443,815	–	633,339	832,505

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2014

INVESTMENTS (continued)	Holdings as at 1 January 2014	Additions	Corporate Actions	Disposals	Holdings as at 31 December 2014
<b><u>Financial assets at fair value through profit or loss (continued)</u></b>					
<b>Listed securities (continued)</b>					
Zhejiang Hisun Pharmaceutical Co Ltd	899,099	331,813	–	544,341	686,571
Zhejiang Huace Film & TV Co Ltd	–	372,541	–	9,800	362,741
Zhejiang Ju Hua Co Ltd	1,670,654	132,600	–	1,803,254	–
Zhejiang Longsheng Group Co Ltd	2,165,585	968,440	–	1,392,388	1,741,637
Zhejiang Medicine Co Ltd	1,170,026	426,341	–	1,596,367	–
Zhejiang NHU Co Ltd	649,744	370,421	253,680	497,979	775,866
Zhejiang Yasha Decoration Co Ltd	566,188	221,310	130,599	410,881	507,216
Zhejiang Zheneng Electric Power Co., Ltd.	–	1,253,442	280,805	407,799	1,126,448
Zhengzhou Coal Mining Machinery Group Co Ltd	1,474,343	121,500	–	1,595,843	–
Zhengzhou Yutong Bus Co Ltd	1,593,563	641,806	–	968,698	1,266,671
Zhongjin Gold Co Ltd	2,630,413	1,069,240	–	1,606,332	2,093,321
Zijin Mining Group Co Ltd	14,110,463	5,745,900	–	8,609,368	11,246,995
Zoomlion Heavy Industry Science & Technology Co Ltd	7,832,574	3,164,900	–	4,753,635	6,243,839
ZTE Corporation	3,510,014	1,434,200	–	2,147,311	2,796,903

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PERFORMANCE RECORD

Year ended 31 December 2014

**1. NET ASSET VALUE (calculated in accordance with the Sub-Fund's Trust Deed)**

	Net assets attributable to unitholders RMB	Net asset value per unit RMB
As at:		
31 December 2014	11,838,043,003	35.3269
31 December 2013	9,172,353,719	23.1013
31 December 2012	14,118,488,634	24.9664

**2. HIGHEST ISSUE AND LOWEST REDEMPTION PRICES PER UNIT <sup>A</sup>**

	Highest issue unit price RMB	Lowest redemption unit price RMB
During the year/period ended:		
31 December 2014	35.3314	21.0387
31 December 2013	27.1919	21.6261
31 December 2012	24.9664	21.1203

**3. COMPARISON OF THE SCHEME PERFORMANCE AND THE ACTUAL INDEX PERFORMANCE <sup>A</sup>**

The table below illustrates the comparison between the Sub-Fund's performance (Market-to-Market) and that of the Index during the following year/period:

	The Index (since 16 July 2012)	RMB counter of the Sub-Fund (since 17 July 2012)	HKD counter of the Sub-Fund (since 26 October 2012)
During the year/period ended:			
31 December 2014	47.25%	41.94%	52.57%
31 December 2013	-2.90%	-4.96%	4.44%
31 December 2012 <sup>B</sup>	5.13%	4.13%	11.72%

<sup>A</sup> Past performance figures shown are not indicative of the future performance of the Sub-Fund.

<sup>B</sup> The financial period of the Sub-Fund extended from 11 July 2012 (date of inception) to 31 December 2012.