

ChinaAMC Select Fund

**ChinaAMC Select Hong Kong China Equity Fund**

Unaudited Semi-Annual Report

For the period from  
1 January 2016 to 30 June 2016



**华夏基金**  
**ChinaAMC**

UNAUDITED SEMI-ANNUAL REPORT

CHINAAMC SELECT HONG KONG CHINA EQUITY FUND  
(a sub-fund of ChinaAMC Select Fund, an open-ended unit  
trust established as an umbrella fund under the laws of Hong  
Kong)

For the period from 1 January 2016 to 30 June 2016

CHINAAMC SELECT HONG KONG CHINA EQUITY FUND  
(a sub-fund of ChinaAMC Select Fund)

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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 fund, please refer to the explanatory memorandum of the fund which is available at our website: <http://www.chinaamc.com.hk>

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

**CHINAAMC SELECT HONG KONG CHINA EQUITY FUND**  
(a sub-fund of ChinaAMC Select Fund)

**ADMINISTRATION AND MANAGEMENT**

**MANAGER**

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

**DIRECTORS OF THE MANAGER**

Mr. Gan Tian  
Mr. Yang Minghui  
Mr. Zhang Xiaoling

**LEGAL ADVISER TO THE MANAGER**

Deacons  
5/F, Alexandra House  
18 Chater Road  
Central, Hong Kong

**TRUSTEE, ADMINISTRATOR AND REGISTRAR**

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

**AUDITORS**

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

**CUSTODIAN**

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

CHINAAMC SELECT HONG KONG CHINA EQUITY FUND  
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REPORT OF THE MANAGER TO THE UNITHOLDERS

**Market Review and Fund Performance**

The start of year 2016 recorded weak economic data, in the Global equity market to be specific, and volatile exchange rate as well. The rapid depreciation of RMB and dramatic fluctuation exchange rate between RMB and HKD led to the intervention by the People's Bank of China. As a result, monetary policy was adjusted from easing to a neutral one, with delayed monetary easing and strengthened capital control, so as to stabilize RMB exchange rate. Before the end of the first quarter, there was a sign of recovery for the Chinese economy, with one of the significant causes being the real estate boom in China's first and second tier cities. Other than that, debt defaults in China became an issue as the government pushed supply-side reforms, which brought great debt pressure to some Chinese enterprises since the second quarter.

**Market Outlook and Investment Strategy**

The Hong Kong equity market in general remained range-traded in the second quarter, and significant cash inflow to the Hong Kong market through Shanghai-Hong Kong stock connect was identified. Looking forward into the second half of the year, we tend to believe the market may remain range-traded. Shenzhen-Hong Kong stock connect is also what the market has been anticipating in the remaining months of the year.

China Asset Management (Hong Kong) Limited  
25 August 2016

CHINAAMC SELECT HONG KONG CHINA EQUITY FUND  
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STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period from 1 January 2016 to 30 June 2016

	For the period from 1 January 2016 to 30 June 2016 HKD	For the period from 27 May 2015 to 30 June 2015 HKD
<b>INCOME</b>		
Dividend income	284,659	133,389
Interest income on bank deposits	184	89
	<u>284,843</u>	<u>133,478</u>
<b>EXPENSES</b>		
Management fee	( 70,502)	( 13,542)
Trustee fee	( 120,000)	( 2,031)
Custodian fee	( 35,289)	( 2,285)
Auditors' remuneration	( 7,323)	( 24,780)
Preliminary expenses	-	( 28,706)
Brokerage fees and other transaction costs	( 79,185)	( 45,614)
Legal and professional fees	( 36,834)	-
Other expenses	<u>285,909</u>	<u>( 1,822)</u>
	<u>( 63,224)</u>	<u>( 118,780)</u>
<b>PROFIT BEFORE INVESTMENT LOSSES AND EXCHANGE DIFFERENCES</b>	<b>221,619</b>	<b>14,698</b>
<b>INVESTMENT LOSSES AND EXCHANGE DIFFERENCES</b>		
Net losses on financial assets at fair value through profit or loss	( 1,027,472)	( 1,536,314)
Net foreign exchange losses	<u>( 379)</u>	<u>-</u>
	<u>( 1,027,851)</u>	<u>( 1,536,314)</u>
<b>LOSS BEFORE TAX</b>	<b>( 806,232)</b>	<b>( 1,521,616)</b>
Withholding taxes	<u>( 22,219)</u>	<u>( 4,739)</u>
<b>DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b><u>( 828,451)</u></b>	<b><u>( 1,526,355)</u></b>

CHINAAMC SELECT HONG KONG CHINA EQUITY FUND  
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STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2016

	30 June 2016 (Unaudited) HKD	31 December 2015 (Audited) HKD
<b>ASSETS</b>		
Financial assets at fair value through profit or loss	12,714,986	11,250,488
Amounts due from brokers	1,545,823	-
Amounts due from the Manager	-	327,257
Prepayment and other receivables	148,067	-
Cash and cash equivalents	<u>726,546</u>	<u>17,935,517</u>
<b>TOTAL ASSETS</b>	<u><u>15,135,422</u></u>	<u><u>29,513,262</u></u>
<b>LIABILITIES</b>		
Management fee payable	24,891	-
Trustee fee payable	20,000	20,000
Accrued expenses and other payables	472,563	576,281
Amount payable on redemption of units	-	11,942,850
Amounts due to brokers	<u>2,132</u>	<u>1,529,844</u>
<b>TOTAL LIABILITIES</b>	<u><u>519,586</u></u>	<u><u>14,068,975</u></u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u><u>14,615,836</u></u>	<u><u>15,444,287</u></u>
<b>NUMBER OF UNITS IN ISSUE</b>		
- Class I	<u><u>1,947,399.49</u></u>	<u><u>1,947,399.49</u></u>
<b>NET ASSET VALUE PER UNIT</b>		
- Class I	<u><u>7.5053</u></u>	<u><u>7.9307</u></u>

CHINAAMC SELECT HONG KONG CHINA EQUITY FUND  
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

For the period from 1 January 2016 to 30 June 2016

	Number of Units	HKD
As at 1 January 2016	1,947,399	15,444,287
Subscription of units	-	-
Redemption of units	-	-
Decrease in net assets attributable to unitholders	<u>-</u>	<u>( 828,451)</u>
As at 30 June 2016	<u><u>1,947,399</u></u>	<u><u>14,615,836</u></u>



CHINAAMC SELECT HONG KONG CHINA EQUITY FUND  
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STATEMENT OF CASH FLOWS (UNAUDITED)

For the period from 1 January 2016 to 30 June 2016

	For the period from 1 January 2016 to 30 June 2016 HKD	For the period from 27 May 2015 to 30 June 2015 HKD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	( 806,232)	( 1,521,616)
Increase in financial assets at fair value through profit or loss	( 1,464,498)	( 8,336,740)
Increase in amounts due from brokers	( 1,545,823)	( 3,227,454)
Increase in prepayment and other receivables	( 148,067)	( 499,308)
Decrease in amount due from the Manager	327,257	-
(Decrease)/increase in amounts due to brokers	( 1,527,712)	1,131,087
Increase in management fee payable	24,891	13,542
Increase in trustee fee payable	-	1,721
Decrease in redemption payable	( 11,942,850)	-
(Decrease)/increase in other expenses and payables	( 103,718)	444,785
Cash used in operations	( 17,186,752)	( 11,993,983)
Tax paid	( 22,219)	(4,739)
Net cash flows used in operating activities	( 17,208,971)	( 11,998,722)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Proceeds from issue of units	-	15,000,000
Net cash flows from financing activity	-	15,000,000
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	( 17,208,971)	3,001,278
Cash and cash equivalents at the beginning of the period	17,935,517	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>726,546</u>	<u>3,001,278</u>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Cash at banks	<u>726,546</u>	<u>3,001,278</u>

CHINAAMC SELECT HONG KONG CHINA EQUITY FUND  
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PERFORMANCE TABLE (UNAUDITED)

Net assets attributable to unitholders  
(calculated in accordance with the Trust Deed)

	Net assets value per unit HKD	Net assets attributable to unitholders HKD
As at 30 June 2016 (Unaudited)	<u>7.5053</u>	<u>14,615,836</u>
As at 31 December 2015 (Audited)	<u>7.9307</u>	<u>15,444,287</u>
 <u>Highest issue price and lowest redemption price per unit<sup>1</sup></u>		
	Highest issue unit price HKD	Lowest redemption unit price HKD
Period from 1 January 2016 to 30 June 2016 (Unaudited)	<u>7.9230</u>	<u>6.6049</u>
Period from 27 May 2015 (date of inception) to 31 December 2015 (Audited)	<u>10.1937</u>	<u>6.5961</u>

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

CHINAAMC SELECT HONG KONG CHINA EQUITY FUND  
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RECONCILIATION OF NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Total  
HKD

Net assets attributable to unitholders of (calculated in accordance with International Financial Reporting Standards)	14,615,836
Adjustments for preliminary expenses and amount due from the Manager	<u>317,842</u>
Net assets attributable to unitholders (calculated in accordance with the Trust Deed)	<u>14,933,678</u>

Total  
HKD

Net assets attributable to unitholders (per unit) (calculated in accordance with International Financial Reporting Standards)	<u>7.5053</u>
Net assets attributable to unitholders (per unit) (calculated in accordance with the Trust Deed)	<u>7.6685</u>

CHINAAMC SELECT HONG KONG CHINA EQUITY FUND  
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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

For the period from 1 January 2016 to 30 June 2016

	At 1 January 2016	<u>Movement in holdings</u>			At 30 June 2016
		Addition	Bonus/ Dividend	Disposals	
<b><u>Securities</u></b>					
<b>Hong Kong</b>					
AIA GROUP LTD	18,800	-	-	(18,800)	-
BAIC MOTOR CORP LTD-H	-	49,500	-	-	49,500
BBMG CORP-H	-	2,000	2,000	(4,000)	-
BEIJING ENTERPRISES HLDGS LTD	17,000	-	-	(17,000)	-
BYD ELECTRONIC (INTL) CO LTD	-	414,000	-	(176,500)	237,500
CANVEST ENVIRONMENT PROTECTION GROUP CO LTD	83,000	48,000	-	(131,000)	-
CGN NEW ENERGY HLDGS CO LTD	122,000	56,000	-	(178,000)	-
CHINA CONSTRUCTION BANK CORP-H	-	116,000	-	(59,000)	57,000
CHINA EVERBRIGHT LTD	-	44,000	-	(44,000)	-
CHINA INTL CAPITAL CORP LTD-H	84,400	-	-	(84,400)	-
CHINA LIFE INSURANCE CO LTD-H	4,000	15,000	-	(19,000)	-
CHINA MACHINERY ENGINEERING CORP-H	108,000	81,000	-	(189,000)	-
CHINA MOBILE LTD	14,500	-	-	-	14,500
CHINA PACIFIC INSURANCE (GROUP) CO-H	11,000	-	-	-	11,000
CHINA TRADITIONAL CHINESE MEDICINE CO LTD	-	76,000	-	(76,000)	-
CRCC HIGH-TECH EQUIPMENT CORP LTD-H	32,000	75,000	-	(107,000)	-
CRRC CORP LTD-H	-	50,000	-	(50,000)	-
DONGFENG MOTOR GROUP CO LTD-H	-	126,000	-	-	126,000
DYNAGREEN ENVIRONMENTAL PROTECTION GROUP CO LTD-H	-	62,000	-	(62,000)	-
FUFENG GROUP LTD	-	353,000	-	(353,000)	-
FUYAO GLASS INDUSTRY GROUP CO LTD-H	-	23,600	-	-	23,600
GALAXY ENTERTAINMENT GROUP LTD	-	15,000	-	(15,000)	-
GCL POLY ENERGY HLDGS LTD	-	380,000	-	-	380,000
GEELY AUTOMOBILE HLDGS LTD	-	255,000	-	-	255,000

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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (continued)

For the period from 1 January 2016 to 30 June 2016

	At 1 January 2016	<u>Movement in holdings</u>			At 30 June 2016
		Addition	Bonus/ Dividend	Disposals	
<b><u>Securities</u></b>					
<b>Hong Kong</b>					
GREENLAND HONG KONG HLDGS LTD	116,000	-	-	(116,000)	-
GUANGDONG INVESTMENT LTD	62,000	70,000	-	(10,000)	122,000
GUANGZHOU AUTOMOBILE GROUP CO LTD-H	-	146,000	-	(32,000)	114,000
GUANGZHOU R&F PROPERTIES CO LTD-H	-	40,800	-	(40,800)	-
GUOTAI JUNAN INTL HLDGS LTD	-	103,000	-	(103,000)	-
HAITONG INTL SECURITIES GROUP LTD	-	62,000	-	(62,000)	-
HARBIN ELECTRIC CO LTD-H	-	82,000	-	(82,000)	-
HONG KONG EXCHANGES & CLEARING LTD	600	-	-	(600)	-
HUANENG POWER INTL INC-H	-	94,000	-	(94,000)	-
HUANENG RENEWABLES CORP LTD-H	170,000	588,000	-	(758,000)	-
IMAX CHINA HLDG INC	15,000	-	-	(15,000)	-
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	-	170,000	-	(102,000)	68,000
INTIME RETAIL GROUP CO LTD	-	94,000	-	(94,000)	-
JIANGSU EXPRESSWAY CO LTD-H	-	46,000	-	(46,000)	-
KINGSOFT CORP LTD	-	25,000	-	(25,000)	-
PING AN INSURANCE GROUP CO OF CHINA LTD-H	5,500	-	-	(5,500)	-
SANDS CHINA LTD	-	14,800	-	(14,800)	-
SEMICONDUCTOR MANUFACTURING INTL CORP	-	894,000	-	-	894,000
SHANGHAI HAOHAI BIOLOGICAL TECHNOLOGY CO LTD-H	-	3,100	-	(3,100)	-
SHANGHAI INDUSTRIAL HLDGS LTD	23,000	-	-	(23,000)	-
SINOPEC ENGINEERING (GROUP) CO LTD-H	18,500	141,000	-	-	159,500
SINOPEC SHANGHAI PETROCHEMICAL CO LTD-H	-	340,000	-	(40,000)	300,000
SINOSOFT TECHNOLOGY GROUP LTD	24,000	160,000	-	(184,000)	-
SSY GROUP LTD	-	454,000	-	-	454,000

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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (continued)

For the period from 1 January 2016 to 30 June 2016

	At 1 January 2016	<u>Movement in holdings</u>			At 30 June 2016
		Addition	Bonus/ Dividend	Disposals	
<b><u>Securities</u></b>					
<b>Hong Kong</b>					
TECHNOVATOR INTL LTD	48,000	-	-	(48,000)	-
TENCENT HLDGS LTD	5,100	2,700	-	(7,800)	-
UNITED LABORATORIES LTD	-	222,000	-	(222,000)	-
WEICHAI POWER CO LTD-H	-	47,000	-	(47,000)	-
WULING MOTORS HLDGS LTD	170,000	-	-	(170,000)	-
XINYI GLASS HLDG CO LTD	80,000	84,000	-	(164,000)	-
YUNNAN WATER INVESTMENT CO LTD-H	3,000	26,000	-	(29,000)	-
ZHEJIANG EXPRESSWAY CO LTD-H	-	58,000	-	(58,000)	-
ZHONGSHENG GROUP HLDGS LTD	156,000	-	-	(156,000)	-
ZHUZHOU CRRC TIMES ELECTRIC CO LTD-H	-	9,500	-	(9,500)	-
	<b>1,391,400</b>	<b>6,218,000</b>	<b>2,000</b>	<b>(4,345,800)</b>	<b>3,265,600</b>
<b>Total investment portfolio</b>	<b>1,391,400</b>	<b>6,218,000</b>	<b>2,000</b>	<b>(4,345,800)</b>	<b>3,265,600</b>

CHINAAMC SELECT HONG KONG CHINA EQUITY FUND  
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INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2016

	Quantity	Fair value HKD	% of net assets
<b><u>Listed Equities</u></b>			
<b>Hong Kong</b>			
BAIC MOTOR CORP LTD-H	49,500	269,775	1.85%
BYD ELECTRONIC (INTL) CO LTD	237,500	1,035,500	7.08%
CHINA CONSTRUCTION BANK CORP-H	57,000	291,840	2.00%
CHINA MOBILE LTD	14,500	1,285,425	8.79%
CHINA PACIFIC INSURANCE (GROUP) CO-H	11,000	287,100	1.96%
DONGFENG MOTOR GROUP CO LTD-H	126,000	1,018,080	6.97%
FUYAO GLASS INDUSTRY GROUP CO LTD-H	23,600	423,856	2.90%
GCL POLY ENERGY HLDGS LTD	380,000	383,800	2.63%
GEELY AUTOMOBILE HLDGS LTD	255,000	1,068,450	7.31%
GUANGDONG INVESTMENT LTD	122,000	1,437,160	9.83%
GUANGZHOU AUTOMOBILE GROUP CO LTD-H	114,000	1,054,500	7.21%
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	68,000	291,720	2.00%
SEMICONDUCTOR MANUFACTURING INTL CORP	894,000	554,280	3.79%
SINOPEC ENGINEERING (GROUP) CO LTD-H	159,500	1,116,500	7.64%
SINOPEC SHANGHAI PETROCHEMICAL CO LTD-H	300,000	1,062,000	7.27%
SSY GROUP LTD	454,000	1,135,000	7.76%
<b>Total investments portfolio (Cost: HKD 12,395,185)</b>		<b>12,714,986</b>	<b>86.99%</b>
<b>Other net assets</b>		<b>1,900,850</b>	<b>13.01%</b>
<b>Total net assets</b>		<b>14,615,836</b>	<b>100.00%</b>



**华夏基金(香港)有限公司**  
CHINA ASSET MANAGEMENT (HONG KONG) LIMITED

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