

ChinaAMC Select Fund

**ChinaAMC Select China New Economy Fund**

Unaudited Semi-Annual Report

For the period from  
1 January 2017 to 30 June 2017



**华夏基金**  
**ChinaAMC**

UNAUDITED SEMI-ANNUAL REPORT

CHINAAMC SELECT CHINA NEW ECONOMY 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 2017 to 30 June 2017

CHINAAMC SELECT CHINA NEW ECONOMY 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 CHINA NEW ECONOMY FUND  
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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. Yang Minghui  
Mr. Zhang Xiaoling  
Mr. Gan Tian

**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

**AUDITOR**

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

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REPORT OF THE MANAGER TO THE UNITHOLDERS

**Market Review and Fund Performance**

The Hang Seng Index recorded six straight months of gains in the first half of 2017. While many investors have been worried about the impacts of financial de-leveraging and potential Fed's rate hikes at the beginning of the year, the stronger-than-expected macroeconomic growth amid relatively stable external environment boosted the market. In addition to that, initiatives including the establishment of Xiong'an new area and Guangdong-Hong Kong-Macau Greater Bay Area, the new regulations on speculative stock-selling by big shareholders, and MSCI A-share inclusion also supported the atmosphere. Since the opening of Shenzhen-Hong Kong Stock Connect at the end of last year, continuous southbound capital inflows are recorded, aiding the market rally and changing the investment style. We believe under the background of Renminbi depreciation, needs of global asset allocation are increasing. The deep discount of H-shares compared to A-shares, and the unsatisfying performance of A-share market under strong financial regulations make Hong Kong market attractive to investors. Nonetheless, the H-share market felt some pressure in June, and we think it is attributable to the profit-taking after a strong rally and near the half year end, TMT correction in the United States market and a sudden plunge of small-caps. As a result, MSCI China Index and CSI 300 Index posted a return of 24.52% and 10.78% respectively in United States dollar total returns for the first half of the year. Looking ahead, despite possible macro slowing down and tightened monetary policies, we are still positive on the stock market in the medium term due to: 1) solid profit growth of listed companies; 2) global economy recovery – we believe the global economy recovery may lift China's export; 3) valuations – the A/H premium is still high after the rally in the first half and we believe the southbound inflows may help narrowing the gap.

China Asset Management (Hong Kong) Limited  
21 August 2017

CHINAAMC SELECT CHINA NEW ECONOMY FUND  
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STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period from 1 January 2017 to 30 June 2017

	For the period from 1 January 2017 to 30 June 2017 HKD	For the period from 1 January 2016 to 30 June 2016 HKD
<b>INCOME</b>		
Dividend income	354,386	284,659
Interest income on bank deposits	<u>83</u>	<u>184</u>
	<u>354,469</u>	<u>284,843</u>
<b>EXPENSES</b>		
Management fee	( 96,761)	( 70,502)
Trustee fee	( 120,000)	( 120,000)
Custodian fee	( 24,512)	( 35,289)
Auditors' remuneration	( 62,400)	( 7,323)
Brokerage fees and other transaction costs	( 68,438)	( 79,185)
Legal and professional fees	( 9,271)	( 36,834)
Other expenses	<u>( 32,956)</u>	<u>( 7,096)</u>
	<u>( 414,338)</u>	<u>( 356,229)</u>
Less: Reimbursement of expenses by the Manager	<u>159,128</u>	<u>293,005</u>
	<u>( 255,210)</u>	<u>( 63,224)</u>
<b>PROFIT BEFORE INVESTMENT GAIN/LOSS AND EXCHANGE DIFFERENCES</b>	<b>99,259</b>	<b>221,619</b>
<b>INVESTMENT GAIN/(LOSS) AND EXCHANGE DIFFERENCES</b>		
Net gain/(loss) on financial assets at fair value through profit or loss	3,705,572	(1,027,472)
Net foreign exchange gain/(loss)	<u>242</u>	<u>( 379)</u>
	<u>3,705,814</u>	<u>(1,027,851)</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b><u>3,805,073</u></b>	<b><u>( 806,232)</u></b>
Withholding taxes	<u>( 30,491)</u>	<u>( 22,219)</u>
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b><u>3,774,582</u></b>	<b><u>( 828,451)</u></b>

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STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2017

	30 June 2017 (Unaudited) HKD	31 December 2016 (Audited) HKD
<b>ASSETS</b>		
Financial assets at fair value through profit or loss	18,822,151	15,857,506
Amounts due from the Manager	198,346	39,135
Prepayment and other receivables	313,976	-
Cash and cash equivalents	<u>1,701,302</u>	<u>1,336,050</u>
<b>TOTAL ASSETS</b>	<u><u>21,035,775</u></u>	<u><u>17,232,691</u></u>
<b>LIABILITIES</b>		
Management fee payable	83,568	29,076
Trustee fee payable	20,000	20,000
Accrued expenses and other payables	63,287	117,857
Tax payable	<u>28,580</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u><u>195,435</u></u>	<u><u>166,933</u></u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u><u>20,840,340</u></u>	<u><u>17,065,758</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>10.7016</u></u>	<u><u>8.7634</u></u>

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

For the period from 1 January 2017 to 30 June 2017

	Number of Units	HKD
As at 1 January 2017	1,947,399.49	17,065,758
Increase in net assets attributable to unitholders	<u>-</u>	<u>3,774,582</u>
As at 30 June 2017	<u>1,947,399.49</u>	<u>20,840,340</u>

CHINAAMC SELECT CHINA NEW ECONOMY FUND  
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STATEMENT OF CASH FLOWS (UNAUDITED)

For the period from 1 January 2017 to 30 June 2017

	For the period from 1 January 2017 to 30 June 2017 HKD	For the period from 1 January 2016 to 30 June 2016 HKD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	3,805,073	( 806,232)
Increase in financial assets at fair value through profit or loss	( 2,964,645)	( 1,464,498)
Increase in amounts due from brokers	-	( 1,545,823)
Increase in prepayment and other receivables	( 313,976)	( 148,067)
(Increase)/decrease in amount due from the Manager	( 159,211)	327,257
Decrease in amounts due to brokers	-	( 1,527,712)
Increase in management fee payable	54,492	24,891
Decrease in redemption payable	-	( 11,942,850)
Decrease in other expenses and payables	<u>( 54,570)</u>	<u>( 103,718)</u>
Cash generated from/(used in) operations	367,163	( 17,186,752)
Tax paid	<u>( 1,911)</u>	<u>( 22,219)</u>
Net cash flows generated from/(used in) operating activities	<u>365,252</u>	<u>( 17,208,971)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	365,252	( 17,208,971)
Cash and cash equivalents at the beginning of the period	<u>1,336,050</u>	<u>17,935,517</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><u>1,701,302</u></u>	<u><u>726,546</u></u>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Cash at banks	<u><u>1,701,302</u></u>	<u><u>726,546</u></u>

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PERFORMANCE TABLE (UNAUDITED)

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

	Net asset value per unit HKD	Net asset value HKD
As at 30 June 2017 (Unaudited)	<u>10.7016</u>	<u>20,840,340</u>
As at 31 December 2016 (Audited)	<u>8.7634</u>	<u>17,065,758</u>
As at 31 December 2015 (Audited)	<u>7.9307</u>	<u>15,444,287</u>

Highest issue price and lowest redemption price per unit<sup>1</sup>

	Highest issue unit price HKD	Lowest redemption unit price HKD
Period from 1 January 2017 to 30 June 2017 (Unaudited)	<u>10.8420</u>	<u>8.8898</u>
As at 31 December 2016 (Audited)	<u>9.2263</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.

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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

For the period from 1 January 2017 to 30 June 2017

	At 1 January 2017	Movement in holdings			At 30 June 2017
		Addition	Bonus/ Dividend	Disposals	
<b><u>Listed securities</u></b>					
<b>Hong Kong</b>					
AIA GROUP LTD	-	3,600	-	-	3,600
ASM PACIFIC TECHNOLOGY LTD	-	1,800	-	-	1,800
BEIJING JINGNENG CLEAN ENERGY CO LTD-H	218,000	-	-	(218,000)	-
CAR INC	-	189,000	-	-	189,000
CHINA CONSTRUCTION BANK CORP-H	-	94,000	-	-	94,000
CHINA GAS HLDGS LTD	-	64,000	-	(64,000)	-
CHINA LIFE INSURANCE CO LTD-H	-	33,000	-	(33,000)	-
CHINA LONGYUAN POWER GROUP CORP LTD-H	198,000	-	-	(58,000)	140,000
CHINA MERCHANTS BANK CO LTD-H	-	38,500	-	-	38,500
CHINA MOBILE LTD	16,000	-	-	(7,000)	9,000
CHINA PACIFIC INSURANCE (GROUP) CO-H	-	27,400	-	-	27,400
CHINA RAILWAY GROUP LTD-H	86,000	-	-	(86,000)	-
CHINA RESOURCES GAS GROUP LTD	-	36,000	-	(30,000)	6,000
CHINA SHENHUA ENERGY CO LTD-H	-	57,000	-	(21,000)	36,000
DONGFENG MOTOR GROUP CO LTD-H	146,000	-	-	(58,000)	88,000
DONGYUE GROUP LTD	-	251,000	-	-	251,000
ENN ENERGY HLDGS LTD	-	30,000	-	(30,000)	-
FUYAO GLASS INDUSTRY GROUP CO LTD-H	4,000	-	-	(4,000)	-
GEELY AUTOMOBILE HLDGS LTD	25,000	-	-	(25,000)	-
GREENTOWN SERVICE GROUP CO LTD	-	262,000	-	-	262,000
GUANGDONG INVESTMENT LTD	92,000	-	-	(40,000)	52,000
GUANGZHOU AUTOMOBILE GROUP CO LTD-H	-	33,000	-	-	33,000
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HLDGS CO LTD-H	-	16,000	-	-	16,000
HUABAO INTL HLDGS LTD	-	308,000	-	-	308,000
HUANENG RENEWABLES CORP LTD-H	420,000	-	-	(420,000)	-
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	117,000	119,000	-	(42,000)	194,000
JIANGSU EXPRESSWAY CO LTD-H	-	110,000	-	(74,000)	36,000
LONGFOR PROPERTIES CO LTD	51,500	-	-	(51,500)	-

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

For the period from 1 January 2017 to 30 June 2017

	At 1 January 2017	<u>Movement in holdings</u>			At 30 June 2017
		Addition	Bonus/ Dividend	Disposals	
<b><u>Listed securities</u></b> (continued)					
<b>Hong Kong</b>					
PAN ASIA ENVIRONMENTAL PROTECTION GROUP	-	252,000	-	(252,000)	-
PICC PROPERTY & CASUALTY CO LTD-H	44,000	32,000	-	(76,000)	-
PING AN INSURANCE GROUP CO OF CHINA LTD-H	-	18,000	-	-	18,000
SIHUAN PHARMACEUTICAL HLDGS GROUP LTD	340,000	-	-	(340,000)	-
SINOPEC KANTONS HLDGS LTD	-	324,000	-	-	324,000
SINOPEC SHANGHAI PETROCHEMICAL CO LTD-H	250,000	-	-	(250,000)	-
SINOTRUK (HONG KONG) LTD	255,000	-	-	(255,000)	-
SSY GROUP LTD	454,000	-	-	(388,000)	66,000
TENCENT HLDGS LTD	-	8,200	-	(1,000)	7,200
WEICHAJ POWER CO LTD-H	114,000	-	-	(114,000)	-
YICHANG HEC CHANGJIANG PHARMACEUTICAL CO LTD-H	72,600	21,000	-	(47,400)	46,200
ZHEJIANG EXPRESSWAY CO LTD-H	-	130,000	-	(130,000)	-
ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY CO LTD-H	145,600	-	-	(145,600)	-
	<b>3,048,700</b>	<b>2,458,500</b>	<b>-</b>	<b>(3,260,500)</b>	<b>2,246,700</b>
<b>Total investment portfolio</b>	<b>3,048,700</b>	<b>2,458,500</b>	<b>-</b>	<b>(3,260,500)</b>	<b>2,246,700</b>

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INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2017

	Quantity	Fair value HKD	% of net assets
<b>Listed Equities</b>			
<b>Hong Kong</b>			
AIA GROUP LTD	3,600	205,380	0.98%
ASM PACIFIC TECHNOLOGY LTD	1,800	189,900	0.91%
CAR INC	189,000	1,355,130	6.50%
CHINA CONSTRUCTION BANK CORP-H	94,000	568,700	2.73%
CHINA LONGYUAN POWER GROUP CORP LTD-H	140,000	795,200	3.82%
CHINA MERCHANTS BANK CO LTD-H	38,500	906,675	4.35%
CHINA MOBILE LTD	9,000	745,650	3.58%
CHINA PACIFIC INSURANCE (GROUP) CO-H	27,400	874,060	4.19%
CHINA RESOURCES GAS GROUP LTD	6,000	159,900	0.77%
CHINA SHENHUA ENERGY CO LTD-H	36,000	625,680	3.00%
DONGFENG MOTOR GROUP CO LTD-H	88,000	812,240	3.90%
DONGYUE GROUP LTD	251,000	943,760	4.53%
GREENTOWN SERVICE GROUP CO LTD	262,000	1,121,360	5.38%
GUANGDONG INVESTMENT LTD	52,000	559,520	2.68%
GUANGZHOU AUTOMOBILE GROUP CO LTD-H	33,000	452,100	2.17%
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HLDGS CO LTD-H	16,000	343,200	1.65%
HUABAO INTL HLDGS LTD	308,000	1,435,280	6.89%
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	194,000	1,022,380	4.91%
JIANGSU EXPRESSWAY CO LTD-H	36,000	396,720	1.90%
PING AN INSURANCE GROUP CO OF CHINA LTD-H	18,000	926,100	4.44%
SINOPEC KANTONS HLDGS LTD	324,000	1,396,440	6.70%
SSY GROUP LTD	66,000	210,540	1.01%
TENCENT HLDGS LTD	7,200	2,010,240	9.65%
YICHANG HEC CHANGJIANG PHARMACEUTICAL CO LTD-H	46,200	765,996	3.68%
<b>Total investments portfolio (cost: HKD17,319,375)</b>		<b>18,822,151</b>	<b>90.32%</b>
<b>Other net assets</b>		<b>2,018,189</b>	<b>9.68%</b>
<b>Total net assets</b>		<b>20,840,340</b>	<b>100.00%</b>

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INVESTMENT PORTFOLIO (UNAUDITED)

For the period from 1 January 2017 to 30 June 2017

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

The Sub-Fund did not make any distribution during the periods ended 30 June 2017 and 30 June 2016.



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

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