

ChinaAMC Investment Trust
ChinaAMC China Focus Fund

Unaudited Semi-Annual Report

For the six months ended
30 June 2019



**CHINAAMC CHINA FOCUS FUND
- A SUB-FUND OF CHINAAMC INVESTMENT TRUST**

UNAUDITED SEMI-ANNUAL REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2019

**CHINAAMC CHINA FOCUS FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST
FOR THE SIX MONTHS ENDED 30 JUNE 2019**

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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 explanatory memorandum of the Sub-Fund which is available at our website: (<http://www.chinaamc.com.hk/en/products>).

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

CHINAAMC CHINA FOCUS FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

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
Ms. Li Yimei
Mr. Gan Tian
Mr. Li Min

Trustee

Cititrust Limited
50/F, Champion Tower
Three Garden Road
Central, Hong Kong

Auditor

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

Custodian and Administrator

Citibank N.A., Hong Kong Branch
50/F, Champion Tower
Three Garden Road
Central, Hong Kong

Transfer Agent

Citicorp Financial Services Limited
Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Legal Counsel to the Manager

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

REPORT OF THE MANAGER TO THE UNITHOLDERS

Market Review

Most of China's macroeconomic data in the first half of 2019 is lower than expected, indicating that the Chinese economy as a whole may not be stabilized. The G20 China-US talks are better than expected, and whether the domestic economy can stabilize will become a market concern. In the relevant economic data of domestic demand in June, industrial added value increased by only 5% year-on-year, fixed asset investment increased by 5.6% year-on-year, and Total Retail Sales of Consumer Goods increased by 8.6% year-on-year, the other domestic demand indicators are decelerating, especially in the industrial value added. In terms of external demand, the export growth rate in June was 1.1% year-on-year, and import growth rate was -8.5% year-on-year. This was a negative drag on GDP. The low growth rate of exports indicates that the trade war has had a substantial impact on exports. Negative import growth rate can also explain domestic demand. In terms of price index, CPI increased by 2.7% year-on-year. The rise in pork and vegetable prices caused widespread concern; PPI increased by 0.6% year-on-year, and the weakening trend was more obvious. In terms of currency, the stock of social welfare increased by 10.6% in June, and the stock of M2 increased by 8.5%. The liquidity stratification effect caused by the Baoshang Bank incident is obvious, and the liquidity support for small and medium-sized banks and non-banks helps to alleviate liquidity problems. However, credit spreads have expanded, and the difficulty of SMEs to obtain funds has deepened. Credit reconstruction has a long way to go. The credit support of the real economy will be a key issue for government departments. Initiatives such as interest rate cuts for SMEs are expected to land in the future and will help restore market information. At the beginning of 2019 third quarter, the actual effect of tax reform is expected to be released. We may also see that the government to take more active measures to adjust the economic structure, stabilize employment, reduce taxes and reduce fees and increase corporate profits.

This year has been a macro year and market has been driven by trade negotiations and the US Federal Government. The competition between China and the US will be long-term and structural. But this competition can be conducted in a much more orderly fashion. The stop-go style of trade negotiation has believed to introduce unnecessary volatilities to the market and over time it may hurt people's confidence in terms of investment and as well as consumption. It is believed that the current lose-lose situation is not sustainable and given time the two countries will have the wisdom to find a way to compete in one area while still cooperate with each other in other areas. Earning's season will be coming soon, we went through the names we have invested and continue to expect reasonable growth coming out of them.

CHINAAMC CHINA FOCUS FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

(Expressed in United States dollars)

	<i>As at 30 June 2019 (unaudited)</i>	<i>As at 31 December 2018 (audited)</i>
Assets		
Cash and cash equivalents	\$ 2,913,586	\$ 5,521,329
Financial assets at fair value through profit or loss	29,933,571	26,495,178
Amounts due from brokers	537,356	-
Subscription receivable	15,018	1,102,119
Dividend receivable	156,049	-
	<hr/>	<hr/>
Total assets	\$ 33,555,580	\$ 33,118,626
Liabilities		
Amounts due to brokers	\$ 323,398	\$ -
Redemption payable	254,030	46,767
Accruals and other payables	480,471	299,926
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Total liabilities (excluding net assets attributable to unitholders)	\$ 1,057,899	\$ 346,693
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Net assets attributable to unitholders	\$ 32,497,681	\$ 32,771,933
Total number of units in issue		
AUD units	9,944	9,944
EUR units	4,094	4,094
HKD units	6,237,957	6,939,918
SGD units	112,055	120,522
USD units	1,776,377	1,914,634
	<hr/>	<hr/>
Net asset value per unit in local currency		
AUD units	AUD 15.603	AUD 14.418
EUR units	EUR 14.081	EUR 13.003
HKD units	HKD 12.264	HKD 11.394
SGD units	SGD 12.592	SGD 11.761
USD units	USD 12.097	USD 11.214
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CHINAAMC CHINA FOCUS FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2019**

(Expressed in United States dollars)

	<i>For the six months ended 30 June 2019 (unaudited)</i>	<i>For the six months ended 30 June 2018 (unaudited)</i>
Interest income	\$ 4,578	\$ 4,705
Dividend income	320,131	392,409
Net gain/(loss) on financial instruments at fair value through profit or loss	2,833,824	(265,151)
Net foreign exchange loss	<u>(1,085)</u>	<u>(16,020)</u>
Total income	<u>\$ 3,157,448</u>	<u>\$ 115,943</u>
Management fee	\$ (288,157)	\$ (396,706)
Performance fee	-	(112,000)
Administration fee	(32,563)	(34,115)
Audit fee	(9,620)	(9,750)
Trustee fee	(4,934)	(5,011)
Custodian fee	(7,748)	(13,532)
Financial statements preparation fee	(7,439)	(7,397)
Registrar fee	-	(4,380)
Bank charges	(26)	(42)
Interest expense	(33)	-
Others	<u>(2,100)</u>	<u>(7,593)</u>
Total operating expenses	<u>\$ (352,620)</u>	<u>\$ (590,526)</u>
Profit/(loss) before tax	\$ 2,804,828	\$ (474,583)
Withholding tax expenses	<u>(13,515)</u>	<u>(16,033)</u>
Increase/(decrease) in net assets attributable to unitholders from operations for the period	<u>\$ 2,791,313</u>	<u>\$ (490,616)</u>

CHINAAMC CHINA FOCUS FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE SIX MONTHS ENDED 30 JUNE 2019**

(Expressed in United States dollars)

	<i>For the six months ended 30 June 2019 (unaudited)</i>	<i>For the six months ended 30 June 2018 (unaudited)</i>
Balance at the beginning of the period	\$ 32,771,933	\$ 48,424,977
Transactions with unitholders		
Subscription	\$ 11,408,491	\$ 12,932,020
Redemption	\$ (14,474,056)	\$ (26,590,974)
Total transactions with unitholders	\$ (3,065,565)	\$ (13,658,954)
Increase/(decrease) in net assets attributable to unitholders from operations for the period	\$ 2,791,313	\$ (490,616)
Balance at the end of the period	\$ 32,497,681	\$ 34,275,407

CHINAAMC CHINA FOCUS FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2019**

(Expressed in United States dollars)

	<i>For the six months ended 30 June 2019 (unaudited)</i>	<i>For the six months ended 30 June 2018 (unaudited)</i>
Operating activities		
Increase/(decrease) in net assets attributable to unitholders from operations for the period	\$ 2,791,313	\$ (490,616)
Adjustments for:		
Interest income	(4,578)	(4,705)
Dividend income	(320,131)	(392,409)
Withholding tax expenses	13,515	16,033
Operating profit/(loss) before changes in working capital	\$ 2,480,119	\$ (871,697)
(Increase)/decrease in financial assets at fair value through profit or loss	(3,438,393)	14,300,145
Increase in amounts due from brokers	(537,356)	(52,815)
Increase in amounts due to brokers	323,398	-
Increase/(decrease) in accruals and other payables	180,545	(1,472,489)
Interest received	4,578	4,705
Dividend received, net of withholding tax paid	150,567	219,838
Net cash (used in)/generated from operating activities	\$ (836,542)	\$ 12,127,687

CHINAAMC CHINA FOCUS FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2019 (CONTINUED)**

(Expressed in United States dollars)

	<i>For the six months ended 30 June 2019 (unaudited)</i>	<i>For the six months ended 30 June 2018 (unaudited)</i>
Financing activities		
Proceeds from unit subscriptions	\$ 12,495,592	\$ 13,071,265
Payments on unit redemptions	<u>(14,266,793)</u>	<u>(43,471,882)</u>
Net cash used in financing activities	<u>\$ (1,771,201)</u>	<u>\$ (30,400,617)</u>
Net decrease in cash and cash equivalents	\$ (2,607,743)	\$ (18,272,930)
Cash and cash equivalents at the beginning of the period	<u>5,521,329</u>	<u>18,383,586</u>
Cash and cash equivalents at the end of the period	<u>\$ 2,913,586</u>	<u>\$ 110,656</u>
Analysis of cash and cash equivalents		
Cash at bank	<u>\$ 2,913,586</u>	<u>\$ 110,656</u>

CHINAAMC CHINA FOCUS FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 JUNE 2019**

(Expressed in United States dollars)

Country	<i>Holdings</i>	<i>Market value</i>	<i>% of total net assets</i>
China listed equities			
CHINA FORTUNE LAND DEVELOP-A	70,700	335,036	1.03
CHINA INTERNATIONAL TRAVEL-A	15,800	203,793	0.63
CHINA MERCHANTS BANK-A	58,100	304,152	0.94
EVE ENERGY CO LTD-A	90,700	401,968	1.24
GOLDCARD SMART GROUP CO LTD	200,262	518,065	1.59
GREE ELECTRIC APPLIANCES I-A 'A'CNY1	24,200	193,657	0.60
INNER MONGOLIA YILI INDUS-A	47,800	232,358	0.71
JUNEYAO AIRLINES CO LTD-A 603885	100,868	192,255	0.59
KWEICHOW MOUTAI CO LTD-A	2,200	314,972	0.97
MIDEA GROUP CO LTD-A	34,303	258,832	0.80
MUYUAN FOODSTUFF CO LTD-A	7,500	64,153	0.20
PING AN BANK CO LTD-A	131,580	263,811	0.81
PING AN INSURANCE GROUP CO-A	24,500	315,866	0.97
RAINBOW DEPARTMENT STORE-A	136,200	258,806	0.80
SANY HEAVY INDUSTRY CO LTD-A	101,949	194,019	0.60
SHANGHAI INTERNATIONAL AIR-A	13,700	166,999	0.51
SHANGHAI JINJIANG INTERNET-A	70,600	253,104	0.78
SHENZHEN MEGMEET ELECTRICA-A	99,600	286,497	0.88
THUNDER SOFTWARE TECHNOLOG-A	83,100	351,600	1.08
WANHUA CHEMICAL GROUP CO LTD	35,900	223,507	0.69
WENS FOODSTUFFS GROUP CO - A	12,100	63,132	0.19
WINNING HEALTH TECHNOLOGY-A	147,100	303,489	0.93
YANTAI JEREH OILFIELD-A	90,000	302,488	0.93
ZHEJIANG WEIXING NEW BUILD-A	78,246	198,091	0.61
		6,200,650	19.08

CHINAAMC CHINA FOCUS FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 30 JUNE 2019**

(Expressed in United States dollars)

Country	<i>Holdings</i>	<i>Market value</i>	<i>% of total net assets</i>
Hong Kong listed equities			
AGRICULTURAL BK CH 'H' CNY1	936,000	391,772	1.20
ASCLETIS PHARMA INC	225,000	173,952	0.53
ASM PACIFIC TECHNOLOGY	21,500	220,160	0.67
AVICHINA INDUSTRY & TECH CO CNY1 'H'	840,000	459,110	1.41
BEIJING TONG REN TANG CHINESE MEDICINE C	289,000	518,628	1.60
CHINA CONSTRUCTION BANK-H	1,076,000	926,910	2.85
CHINA EVERBRIGHT INTL LTD HKD0.10	611,000	563,880	1.74
CHINA JINMAO HOLDINGS GROUP LTD	532,000	323,456	1.00
CHINA LIFE INSURANCE CO-H 'H' CNY1	139,000	342,318	1.05
CHINA MERCHANTS BANK - H CHINA MERCHANTS	139,500	695,491	2.14
CHINA MOBILE (HK) LTD	40,000	364,288	1.12
CHINA NATIONAL BUILDING MA-H 'H' CNY1	518,000	454,182	1.40
CHINA PARTYTIME CULTURE HOLD 1532	2,304,000	79,626	0.25
CHINA RAILWAYS CONSTRUCTIO-H 'H' CNY1	238,500	292,458	0.90
CHINA RESOURCES BEER (HOLDINGS) CO LTD	108,000	512,870	1.58
CHINA RESOURCES LAND LTD SHS	144,000	634,061	1.95
CHINA TOWER CORP LTD-H	980,000	257,152	0.79
CHINA UNICOM HONG KONG LTD	224,000	245,719	0.76
CHINA ZHENG TONG AU HKD 0.10	511,500	212,129	0.65
CNOOC LTD HKD0.02	420,000	718,234	2.21
CSPC PHARMACEUTICAL GROUP LTD	160,000	258,048	0.79
CSTONE PHARMACEUTICALS	121,500	179,159	0.55
ENRIC ENERGY EQUIPMENT HKD0.01	370,000	298,368	0.92
FIT HON TENG LTD	537,000	217,206	0.67
FOSUN INTERNATIONAL HKD0.10	237,500	315,552	0.97
GALAXY ENTERTAINMENT GRP LTD HKD0.10	25,000	168,480	0.52
HONG KONG EXCHANGES & CLEAR	19,200	677,806	2.09
IND & COMM BK OF CHINA-H	1,264,000	922,215	2.84
KOOLEARN TECHNOLOGY HOLDING	91,000	106,696	0.33
LI NING CO HKD0.1	108,000	254,638	0.78

CHINAAMC CHINA FOCUS FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 30 JUNE 2019**

(Expressed in United States dollars)

Country	<i>Holdings</i>	<i>Market value</i>	<i>% of total net assets</i>
Hong Kong listed equities (continued)			
PETROCHINA CO LTD-H	402,000	221,775	0.68
PING AN INSURANCE GROUP CO-H 'H' CNY1	170,000	2,041,089	6.28
SANY HEAVY EQUIPMENT INTL HKD0.1'REG S'	380,000	137,165	0.42
SHANGHAI JUNSHI BIOSCIENCE-H	70,000	267,904	0.82
SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S'	78,000	383,386	1.18
TENCENT HOLDINGS LTD	56,500	2,550,004	7.85
WH GROUP LTD	124,500	126,213	0.39
WUXI BIOLOGICS	33,500	300,803	0.93
XIAOMI CORP-CLASS B 1810	357,600	457,728	1.41
ZIJIN MINING GROUP CO LTD	616,000	249,948	0.77
		18,520,579	56.99
United States listed equities			
ALIBABA GROUP HOLDING-SP ADR BABA	15,600	2,643,421	8.13
BAOZUN INC-SPN ADR BZUN	14,500	722,971	2.23
CTRIP.COM INTERNATIONAL-ADR ADS EA REP 1	12,700	468,757	1.44
HUAZHU GROUP LTD-ADR	11,200	406,000	1.25
PINDUODUO INC-ADR PDD	17,900	369,277	1.14
TAL EDUCATION GROUP- ADR ADS EA REPR 2 C	7,000	266,700	0.82
VIPSHOP HOLDINGS LTD - ADS SPON ADR EA R	23,500	202,805	0.62
YY INC-ADR ADS EA REPR 20 ORD CL'A'	1,900	132,411	0.41
		5,212,342	16.04
Total investments (Total cost of investments: \$26,315,174)		29,933,571	92.11
Other net assets		2,564,110	7.89
Total net assets		32,497,681	100.00

CHINAAMC CHINA FOCUS FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2019**

	<i>% of total net assets 30 June 2019</i>	<i>% of total net assets 31 December 2018</i>
China listed equity securities	19.08	32.09
Hong Kong listed equity securities	56.99	45.59
United States listed equity securities	16.04	3.17
Total investments	92.11	80.85
Other net assets	7.89	19.15
Total net assets	100.00	100.00

