

ChinaAMC Investment Trust
ChinaAMC China Focus Fund

Unaudited Semi-Annual Report

For the period from
1 January 2020 to 30 June 2020



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

UNAUDITED SEMI-ANNUAL REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2020

**CHINAAMC CHINA FOCUS FUND
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FOR THE SIX MONTHS ENDED 30 JUNE 2020**

Contents	Page(s)
Administration and management	1
Report of the Manager to the Unitholders	2
Unaudited financial statements	
- Statement of financial position	3
- Statement of comprehensive income	4
- Statement of changes in net assets attributable to unitholders	5 – 6
- Statement of cash flows	7 – 8
Investment portfolio (Unaudited)	9 – 10
Statement of movements in portfolio holdings (Unaudited)	11

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 Fung Ming (name changed on 5
December 2019)

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
9/F, Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Legal Counsel to the Manager

Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

REPORT OF THE MANAGER TO THE UNITHOLDERS

Market Review

A small outbreak of COVID-19 was quickly put under control in Beijing in June. The number of newly confirmed cases was brought down to low single digits within a couple of weeks. This again proves that China is capable of managing COVID-19 outbreaks. However, the situation in the rest of the world does not look as positive as the case in China. The US and Brazil are both reporting new highs in terms of daily new cases. This may slow down the pace of reopening of their economy.

For the 2nd half of the year, we maintain our view that liquidity will likely remain the most important driver of the market, but we are also aware of several risk factors that could derail the market. US election is entering into the most intense phase and several polls, including polls from Fox, suggest President Trump is behind by a large margin. Market seems to have ignored this new development so far. An earlier than expected 2nd outbreak of COVID-19 in the US could slow down the reopening of its economy, and worsen the current already gloomy outlook. On the other side, China seems to have a few geopolitical issues, and the newest ones are border conflict with India and the introduction of the National Security Law in Hong Kong.

China Asset Management (Hong Kong) Limited
17 August 2020

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

(Expressed in United States dollars)

	<i>As at 30 June 2020 (unaudited)</i>	<i>As at 31 December 2019 (audited)</i>
Assets		
Cash and cash equivalents	\$ 1,837,428	\$ 656,299
Financial assets at fair value through profit or loss	19,765,041	25,674,426
Amounts due from brokers	1,853,386	-
Subscription receivable	132,684	1,113,504
Dividend receivable	227,962	-
	\$ 23,816,501	\$ 27,444,229
Liabilities		
Amounts due to brokers	\$ 1,234,209	\$ -
Redemption payable	305,572	1,099,045
Accruals and other payables	277,808	318,841
	\$ 1,817,589	\$ 1,417,886
Total liabilities (excluding net assets attributable to unitholders)	\$ 1,817,589	\$ 1,417,886
Net assets attributable to unitholders	\$ 21,998,912	\$ 26,026,343
Total number of units in issue		
AUD units	9,394	9,944
EUR units	4,094	4,094
HKD units	1,218,684	2,850,558
SGD units	70,206	77,973
USD units	1,380,250	1,561,405
	1,380,250	1,561,405
Net asset value per unit in local currency		
AUD units	AUD 17.960	AUD 16.708
EUR units	EUR 16.163	EUR 15.323
HKD units	HKD 13.774	HKD 13.121
SGD units	SGD 14.700	SGD 13.425
USD units	USD 13.695	USD 12.976
	USD 13.695	USD 12.976

Note: The semi-annual report of the sub-funds have been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements.

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(Expressed in United States dollars)

	<i>For the six months ended 30 June 2020 (unaudited)</i>	<i>For the six months ended 30 June 2019 (unaudited)</i>
Interest income	\$ 2,192	\$ 4,578
Dividend income	347,925	320,131
Net gain on financial instruments at fair value through profit or loss	1,099,638	2,833,824
Net foreign exchange loss	<u>(1,507)</u>	<u>(1,085)</u>
Total income	<u>\$ 1,448,248</u>	<u>\$ 3,157,448</u>
Management fee	\$ (199,008)	\$ (288,157)
Performance fee	(367)	-
Administration fee	(32,910)	(32,563)
Audit fee	(11,105)	(9,620)
Trustee fee	(4,986)	(4,934)
Custodian fee	(18,055)	(7,748)
Financial statements preparation fee	(3,459)	(7,439)
Legal fee	(717)	-
Professional fee	(1,337)	-
Bank charges	(97)	(26)
Interest expense	(241)	(33)
Others	<u>(1,542)</u>	<u>(2,100)</u>
Total operating expenses	<u>\$ (273,824)</u>	<u>\$ (352,620)</u>
Profit before tax	\$ 1,174,424	\$ 2,804,828
Withholding tax expenses	<u>(16,674)</u>	<u>(13,515)</u>
Increase in net assets attributable to unitholders from operations for the period	<u>\$ 1,157,750</u>	<u>\$ 2,791,313</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 2020**

(Expressed in United States dollars)

	<i>For the six months ended 30 June 2020 (unaudited)</i>	<i>For the six months ended 30 June 2019 (unaudited)</i>
Balance at the beginning of the period	\$ 26,026,343	\$ 32,771,933
Transactions with unitholders		
Subscription	\$ 9,177,337	\$ 11,408,491
Redemption	\$ (14,362,518)	\$ (14,474,056)
Total transactions with unitholders	\$ (5,185,181)	\$ (3,065,565)
Increase in net assets attributable to unitholders from operations for the period	\$ 1,157,750	\$ 2,791,313
Balance at the end of the period	\$ 21,998,912	\$ 32,497,681

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 2020 (CONTINUED)**

Units issued and redeemed

Number of units:

	<i>For the six months ended 30 June 2020 (unaudited)</i>				
	<i>AUD units</i>	<i>EUR units</i>	<i>HKD units</i>	<i>SGD units</i>	<i>USD units</i>
At 1 January 2020	9,944	4,094	2,850,558	77,973	1,561,405
Subscription of units during the period	-	-	1,369	-	725,745
Redemption of units during the period	(550)	-	(1,633,243)	(7,767)	(906,900)
At 30 June 2020	<u>9,394</u>	<u>4,094</u>	<u>1,218,684</u>	<u>70,206</u>	<u>1,380,250</u>
	<i>For the six months ended 30 June 2019 (unaudited)</i>				
	<i>AUD units</i>	<i>EUR units</i>	<i>HKD units</i>	<i>SGD units</i>	<i>USD units</i>
At 1 January 2019	9,944	4,094	6,939,918	120,522	1,914,634
Subscription of units during the period	-	-	1,754,282	-	713,351
Redemption of units during the period	-	-	(2,456,243)	(8,467)	(851,608)
At 30 June 2019	<u>9,944</u>	<u>4,094</u>	<u>6,237,957</u>	<u>112,055</u>	<u>1,776,377</u>

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

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(Expressed in United States dollars)

	<i>For the six months ended 30 June 2020 (unaudited)</i>	<i>For the six months ended 30 June 2019 (unaudited)</i>
Operating activities		
Increase in net assets attributable to unitholders from operations for the period	\$ 1,157,750	\$ 2,791,313
Adjustments for:		
Interest income	(2,192)	(4,578)
Dividend income	(347,925)	(320,131)
Withholding tax expenses	16,674	13,515
	<hr/>	<hr/>
Operating profit before changes in working capital	\$ 824,307	\$ 2,480,119
Decrease/(increase) in financial assets at fair value through profit or loss	5,909,385	(3,438,393)
Increase in amounts due from brokers	(1,853,386)	(537,356)
Increase in amounts due to brokers	1,234,209	323,398
(Decrease)/increase in accruals and other payables	(41,033)	180,545
Interest received	2,192	4,578
Dividend received, net of withholding tax paid	103,289	150,567
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	\$ 6,178,963	\$ (836,542)

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

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (CONTINUED)**

(Expressed in United States dollars)

	<i>For the six months ended 30 June 2020 (unaudited)</i>	<i>For the six months ended 30 June 2019 (unaudited)</i>
Financing activities		
Proceeds from unit subscriptions	\$ 10,158,157	\$ 12,495,592
Payments on unit redemptions	<u>(15,155,991)</u>	<u>(14,266,793)</u>
Net cash used in financing activities	<u><u>\$ (4,997,834)</u></u>	<u><u>\$ (1,771,201)</u></u>
Net increase/(decrease) in cash and cash equivalents	\$ 1,181,129	\$ (2,607,743)
Cash and cash equivalents at the beginning of the period	<u>656,299</u>	<u>5,521,329</u>
Cash and cash equivalents at the end of the period	<u><u>\$ 1,837,428</u></u>	<u><u>\$ 2,913,586</u></u>
Analysis of cash and cash equivalents		
Cash at bank	<u><u>\$ 1,837,428</u></u>	<u><u>\$ 2,913,586</u></u>

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

**INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 JUNE 2020**

(Expressed in United States dollars)

Country	<i>Holdings</i>	<i>Market value</i>	<i>% of total net assets</i>
China listed equities			
BOE TECHNOLOGY GROUP CO LT-A 'A'CN¥1	654,300	432,328	1.97
GREE ELECTRIC APPLIANCES I-A 'A'CN¥1	98,980	792,234	3.60
KWEICHOW MOUTAI CO LTD-A	5,000	1,034,900	4.70
MIDEA GROUP CO LTD-A	69,876	591,121	2.69
TCL CORP-A	494,400	433,700	1.97
WULIANGYE YIBIN CO LTD-A 'A'CN¥1	38,492	931,946	4.24
		4,216,229	19.17
Hong Kong listed equities			
AIR CHINA LIMITED-H ORD CNY1	364,000	216,979	0.99
ALIBABA GROUP HOLDING LTD	57,128	1,544,949	7.02
ASCENTAGE PHARMA GROUP INTER 6855	120,800	735,670	3.34
AVICHINA INDUSTRY & TECH CO CNY1 'H'	514,000	232,779	1.06
CHINA CONSTRUCTION BANK-H	1,438,000	1,163,323	5.29
CHINA EAST EDUCATION HOLDING 667	190,000	343,697	1.56
CHINA GALAXY SECURITIES CO-H CHINA GALAX	398,000	215,165	0.98
CHINA LIFE INSURANCE CO-H 'H'CN¥1	100,000	201,279	0.91
CHINA MOBILE (HK)LTD	34,000	229,432	1.04
CHINA OVERSEAS GRAND OCEANS GROUP LTD	197,000	111,076	0.50
CHINA OVERSEAS LAND & INVEST	111,500	337,358	1.54
CHINA RESOURCES LAND LTD SHS	230,000	870,983	3.96
COLOUR LIFE SERVICES GROUP 1778	470,000	224,375	1.02
COUNTRY GARDEN HOLDINGS CO HKD0.10	916,000	1,125,139	5.11
DONGFENG MOTOR GRP CO LTD-H	286,000	170,852	0.78
IND & COMM BK OF CHINA-H	707,000	428,737	1.95
MIDEA REAL ESTATE HOLDING LT 3990	88,800	217,233	0.99
POWERLONG COMMERCIAL MANAGEM	98,500	227,490	1.03

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

FOR THE SIX MONTHS ENDED 30 JUNE 2020

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

AS AT 30 JUNE 2020

(Expressed in United States dollars)

Country	<i>Holdings</i>	<i>Market value</i>	<i>% of total net assets</i>
Hong Kong listed equities (continued)			
SEAZEN GROUP LTD SEAZEN GROUP LTD	756,000	656,464	2.98
SHIMAO GROUP HOLDINGS LTD	104,000	440,130	2.00
SHUI ON LAND LTD USD0.0025	624,500	104,749	0.48
SINO BIOPHARMACEUTICAL HKD0.025 (POST CO)	120,000	226,052	1.03
SSY GROUP LTD 2005	174,000	118,762	0.54
SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S'	414,000	1,733,361	7.88
TENCENT HOLDINGS LTD	31,000	1,994,288	9.07
ZHENGZHOU COAL MIN 'H'CNY1	2,878,800	1,240,600	5.64
ZTE CORP-H CNY1	143,200	437,890	1.99
		<u>15,548,812</u>	<u>70.68</u>
Total investments		19,765,041	89.85
<i>(Total cost of investments: \$17,489,880)</i>			
Other net assets		<u>2,233,871</u>	<u>10.15</u>
Total net assets		<u>21,998,912</u>	<u>100.00</u>

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 2020

	<i>% of total net assets 30 June 2020</i>	<i>% of total net assets 31 December 2019</i>
China listed equity securities	19.17	20.22
Hong Kong listed equity securities	70.68	61.44
United States listed equity securities	-	16.99
Total investments	<u>89.85</u>	<u>98.65</u>
Other net assets	<u>10.15</u>	<u>1.35</u>
Total net assets	<u><u>100.00</u></u>	<u><u>100.00</u></u>

