

ChinaAMC Select Fund

**ChinaAMC Select China Leap  
Equity Fund**

Annual Report

For the period from  
25 June 2021 (date of inception) to 31 December 2021



ANNUAL REPORT

CHINAAMC SELECT CHINA LEAP 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 25 June 2021 (date of inception) to 31 December 2021

CHINAAMC SELECT CHINA LEAP 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 are subject to change. For more information about the fund, please refer to the explanatory memorandum of the fund which is available at our website:

<https://www.chinaamc.com.hk/en/products/public-fund/chinaamc-select-china-leap-equity-fund/fund-details.html>

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

CHINAAMC SELECT CHINA LEAP 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**

Yang Minghui (resigned on 30 March 2022)  
Li Yimei  
Gan Tian  
Li Fung Ming  
Sun Liqiang (appointed on 30 March 2022)

**LEGAL ADVISER TO THE MANAGER**

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

**TRUSTEE, ADMINISTRATOR AND REGISTRAR**

BOCI-Prudential Trustee Limited  
Suites 1501-1507 & 1513-1516, 15/F,  
1111 King's Road,  
Taikoo Shing, Hong Kong

**AUDITOR**

Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

**CUSTODIAN**

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

CHINAAMC SELECT CHINA LEAP EQUITY FUND  
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REPORT OF THE MANAGER TO THE UNITHOLDERS

Market review

2021 is the year of regulatory and policy shifts. Coupled with global market volatilities, valuation of Hong Kong (HK) stocks is at a historical low. Regulation overhang regarding Internet, real estate and education sectors continued to impact the sentiment negatively. Financials are also dragged by the default risk of real estate developers. Resurgence of Covid-19, power shortage, consumption weakening, and slowdown of the economic measures caused more turbulence in the market.

We remain cautiously optimistic about the market. On the cautious sides: 1) 2021 and 2022 earnings forecasts still have downside risk due to economy growth slowdown even after the 3<sup>rd</sup> quarter results fell short of expectations. 2) The recent hawkish shift by Federal Reserve has led to high volatility in the U.S. interest rates. On the positive sides: 1) Premier Li Keqiang signaled on 3<sup>rd</sup> December that China will use targeted & effective monetary policy tools, including reserve requirement ratio cut, in a timely manner to underpin the real economy. This showed a clear monetary easing signal as China realize the growth headwinds and property downturn. 2) Economic data is improving, in which Purchasing Managers' Index (PMI) rebounded after the power supply eases. 3) Valuations of HK stocks/ American Depositary Receipts (ADRs) remain at historical low. The allocation of long positions will be more balanced but we will also seek structural opportunities, such as sectors which will benefit from pro-growth policies.

China Asset Management (Hong Kong) Limited  
22 April 2022

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

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager, China Asset Management (Hong Kong) Limited, has, in all material respects, managed ChinaAMC Select China Leap Equity Fund (a sub-fund of ChinaAMC Select Fund) for the period ended 31 December 2021 in accordance with the provisions of the trust deed dated 12 January 2012, as amended or supplemented from time to time.

On behalf of  
BOCI-Prudential Trustee Limited, the Trustee

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22 April 2022

**Independent auditor's report  
To the Manager and the Trustee of  
ChinaAMC Select China Leap 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)

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of ChinaAMC Select China Leap Equity Fund (a sub-fund of ChinaAMC Select Fund (the "Trust") and referred to as the "Sub-Fund") set out on pages 7 to 31, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 25 June 2021 (date of inception) to 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial disposition of the Sub-Fund as at 31 December 2021, and of its financial transactions and its cash flows for the period from 25 June 2021 (date of inception) to 31 December 2021 in accordance with International Financial Reporting Standards ("IFRSs").

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Sub-Fund in accordance with the *Code of Ethics for Professional Accountants* (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than the financial statements and auditor's report thereon**

The Manager and the Trustee of the Sub-Fund are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Independent auditor's report** (continued)  
**To the Manager and the Trustee of**  
**ChinaAMC Select China Leap 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)

**Responsibilities of the Manager and the Trustee for the financial statements**

The Manager and the Trustee of the Sub-Fund are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and the Trustee of the Sub-Fund are responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and the Trustee either intend to liquidate the Sub-Fund or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Trustee of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 12 January 2012 as amended or supplemented from time to time (the "Trust Deed") and the relevant disclosure provisions of Appendix E of the *Code on Unit Trusts and Mutual Funds* (the "SFC Code") issued by the Securities and Futures Commission of Hong Kong.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Sub-Fund's internal control.



**Independent auditor's report** (continued)

**To the Manager and the Trustee of  
ChinaAMC Select China Leap 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)

**Auditor's responsibilities for the audit of the financial statements** (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.
- Conclude on the appropriateness of the Manager and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also provide the Manager and the Trustee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

We communicate with the Manager and the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on matters under the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code**

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

Certified Public Accountants  
Hong Kong  
22 April 2022

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 25 June 2021 (date of inception) to 31 December 2021

	Notes	HKD
<b>INCOME</b>		
Dividend income		84,897
Interest income on bank deposits	5	<u>314</u>
		<u>85,211</u>
<b>EXPENSES</b>		
Management fee	5	( 39,260)
Trustee fee	5	( 5,889)
Custodian fee and bank charges	5	( 140,181)
Auditors' remuneration		( 106,000)
Brokerage fees and other transaction costs	5, 6	( 670,894)
Formation costs		( 190,000)
Other expenses		( 66)
		<u>( 1,152,290)</u>
Less: Reimbursement of expenses by the Manager	5	<u>266,828</u>
		<u>( 885,462)</u>
<b>LOSS BEFORE INVESTMENT GAINS AND EXCHANGE DIFFERENCES</b>		<b>( 800,251)</b>
<b>INVESTMENT GAINS AND EXCHANGE DIFFERENCES</b>		
Net gains on financial assets at fair value through profit or loss		225,097
Foreign exchange differences		<u>( 74,987)</u>
<b>NET INVESTMENT GAINS AND EXCHANGE DIFFERENCES</b>		<b><u>150,110</u></b>
<b>LOSS BEFORE TAX</b>		<b><u>( 650,141)</u></b>
Withholding taxes	9	<u>( 6,120)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b><u>( 656,261)</u></b>

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

STATEMENT OF FINANCIAL POSITION

31 December 2021

	Notes	HKD
<b>ASSETS</b>		
Financial assets at fair value through profit or loss	10	6,519,011
Amount due from Manager	5	266,828
Amounts due from brokers	7	1,306,035
Dividend receivables		14,320
Cash and cash equivalents	11	<u>266,881</u>
<b>TOTAL ASSETS</b>		<u><b>8,373,075</b></u>
<b>LIABILITIES</b>		
Management fee payable	5	18,328
Trustee fee payable	5	915
Accrued expenses and other payables		297,271
Amounts due to brokers	7	912,335
Tax payable		<u>487</u>
<b>TOTAL LIABILITIES</b>		1,229,336
<b>EQUITY</b>		
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	12	<u><b>7,143,739</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>8,373,075</b></u>

CHINAAMC SELECT CHINA LEAP EQUITY FUND  
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STATEMENT OF CHANGES IN EQUITY

Period from 25 June 2021 (date of inception) to 31 December 2021

	Number of units	HKD
At 25 June 2021 (date of inception)		
Subscription of units		
– Class I HKD	<u>780,000</u>	<u>7,800,000</u>
	780,000	7,800,000
Total comprehensive income for the period	<u>                    </u>	<u>( 656,261)</u>
As at 31 December 2021	<u>780,000</u>	<u>7,143,739</u>
		2021
Number of units in issue		
– Class I HKD		780,000
Net asset value per unit		
– Class I HKD		HKD 9.1586

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

STATEMENT OF CASH FLOWS

Period from 25 June 2021 (date of inception) to 31 December 2021

	Notes	HKD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax		( 650,141)
Adjustment for:		
Dividend income		( 84,897)
Interest income		( 314)
		<u>( 735,352)</u>
Increase in financial assets at fair value through profit or loss		( 6,519,011)
Increase in amount due from Manager		( 266,828)
Increase in amount due from brokers		( 1,306,035)
Increase in management fee payable		18,328
Increase in trustee fee payable		915
Increase in accrued expenses and other payables		297,271
Increase in amounts due to brokers		<u>912,335</u>
Cash used in operations		( 7,598,377)
Dividend received		70,577
Interest received		314
Tax paid	9	( 5,633)
Net cash flows used in operating activities		<u>( 7,533,119)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of units		<u>7,800,000</u>
Net cash flows from financing activities		<u>7,800,000</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		266,881
Cash and cash equivalents at beginning of the period		<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		<u><u>266,881</u></u>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Cash at banks	11	<u><u>266,881</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

1. THE SUB-FUND

ChinaAMC Select Fund (the "Trust") was constituted as an open-ended unit trust established as an umbrella fund under the laws of Hong Kong pursuant to a trust deed dated 12 January 2012, as amended or supplemented from time to time (the "Trust Deed").

ChinaAMC Select China Leap Equity Fund (the "Sub-Fund") was constituted as a separate sub-fund of the Trust. The Sub-Fund is an open-ended unit trust and is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") under Section 104(1) of the Securities and Futures Ordinance and is required to comply with the *Code on Unit Trusts and Mutual Funds* established by the SFC (the "SFC Code"). Authorisation by the SFC does not imply official approval or recommendation. The Sub-Fund was launched on 25 June 2021. As at 31 December 2021, there are five other sub-funds established under the Trust and the inception dates are as follows:

	Inception date
ChinaAMC Select RMB Bond Fund	21 February 2012
ChinaAMC Select Greater China Technology Fund (formerly known as ChinaAMC Select China New Economy Fund)	27 May 2015
ChinaAMC Select Asia Bond Fund	30 September 2016
ChinaAMC Select Fixed Income Allocation Fund	28 August 2018
ChinaAMC Select Money Market Fund	29 March 2019

The manager of the Trust is China Asset Management (Hong Kong) Limited (the "Manager") and the Trustee is BOCI-Prudential Trustee Limited (the "Trustee"). The Custodian is Bank of China (Hong Kong) Limited (the "Custodian").

The investment objective of the Sub-Fund is to maximize capital growth by investing primarily (i.e. at least 70% of its net assets) in equity securities (such as but not limited to listed shares, depositary receipts, and exchange traded funds) of China-related companies with registered offices located in Mainland China and/or Hong Kong, and/or China-related companies that do not have their registered offices in Mainland China or Hong Kong but either (a) carry out a predominant proportion of their business activities in Mainland China or Hong Kong, or (b) are holding companies which predominantly own companies with registered offices in Mainland China or Hong Kong, which, in the opinion of the Manager, have strong prospects for leap growth or will benefit from leap growth of China. ("China Leap Equity Securities"). To achieve the investment objective, the Sub-Fund may obtain exposure to China related listed equity securities through direct investment of up to 100% of the Sub-Fund's net assets in China Leap Equity Securities, including investment in A-Shares and direct exposure to B-Shares which, in aggregate, account for no more than 20% of the Sub-Fund's net assets. The Sub-Fund may hold up to 30% of its net assets in cash, cash equivalent instruments, and short-term money market instruments (such as bank deposits, certificates of deposit, commercial paper, treasury bills and money market funds managed by a third party, the Manager, or its Connected Persons) for defensive purposes. The Sub-Fund's net derivative exposure may be up to 50% of its Net Asset Value.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2. BASIS OF PREPARATION

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards 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 SFC Code.

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

3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Sub-Fund has not early applied any of the new and revised IFRSs that have been issued but are not yet effective for the accounting year ended 31 December 2021, in these financial statements. Among the new and revised IFRSs, the following are expected to be relevant to the Sub-Fund's financial statements upon becoming effective:

Amendments to IAS 8	<i>Definition of Accounting Estimates</i> <sup>1</sup>
Amendments to IAS 1	<i>Disclosure of Accounting Policies</i> <sup>1</sup>
Amendments to IFRS Practice Statement 2	<i>Making Materiality Judgements</i> <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Sub-Fund is described below.

Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

Amendments to IAS 1 and IFRS Practice Statement 2 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Sub-Fund expects to adopt the above amendments prospectively from 1 January 2023. The amendments are not expected to have any significant impact on the Sub-Fund's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

In accordance with IFRS 9, the Sub-Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or
- On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking, or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Financial assets

The Sub-Fund classifies its financial assets as subsequently measured at amortised cost or measured at profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial assets

*Financial assets measured at amortised cost*

Financial assets are measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. The Sub-Fund includes in this category cash and cash equivalents and short-term non-financing receivables including amount due from Manager, amounts due from brokers and dividend receivables.

*Financial assets measured at FVPL*

A financial asset is measured at FVPL if:

- Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding, or
- It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell, or
- At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Sub-Fund includes in this category instruments held for trading. This category includes equity instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(a) Classification (continued)

Financial liabilities

Financial liabilities measured at amortised cost includes all financial liabilities. The Sub-Fund includes in this category management fee payable, trustee fee payable, accrued expenses and other payables, and amounts due to brokers.

(b) 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.

(c) Initial measurement

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

Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(d) Subsequent measurement

After initial measurement, the Sub-Fund measures financial instruments which are classified as at FVPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVPL in the statement of comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense in the statement of profit or loss and other comprehensive income.

Financial assets, other than those classified as at FVPL, is measured at amortised cost using the effective interest method ("EIR") less any allowance for impairment. Gains and losses are recognised in profit or loss when the financial assets are derecognised or impaired, as well as through the amortisation process.

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

The EIR is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss 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 asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(d) 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 expected credit losses ("ECL"). 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.

(e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or a 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 the Sub-Fund has transferred substantially all the risks and rewards of the asset, or 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 right 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 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, cancelled or expired.

Impairment of financial assets

For financial assets measured at amortised cost, impairment allowances are recognised under the general approach where ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Sub-Fund is required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

The Sub-Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Sub-Fund uses the provision matrix as a practical expedient to measure ECLs on other receivable, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

Fair value measurement

The Sub-Fund measures its investments in financial instruments, such as equity instruments, at fair value at each reporting date.

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 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.

The Sub-Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price, without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

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

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4. 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.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and 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.

Functional and presentation currency

The Sub-Fund's functional currency is HKD, 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 HKD.

Therefore, the HKD 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 HKD.

Foreign currency transactions

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.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. Differences arising on settlement or transaction of monetary items are recognised in profit or loss.

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 is determined.

Foreign currency transaction gains and losses on financial instruments classified as at FVPL and exchange differences on other financial instruments are included in the statement of profit or loss and other comprehensive income.

Net assets attributable to unitholders

The Sub-Fund issues redeemable units namely Class I units and were classified as equity.

Redeemable units are issued and redeemed at the holder's option at prices based on the Sub-Fund's net asset value per unit at the time of issue or redemption. The Sub-Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders by the number of units in issue of the relevant class.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets attributable to unitholders (continued)

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.  
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.
- (d) 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 profit or loss and other comprehensive income on the purchase, sale, issuance or cancellation of the Sub-Fund's own equity instruments.

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 period in which it is approved by the Manager.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

(a) Dividend income

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

(b) Interest income

Interest income is recognised on an accrual basis using the EIR by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Net gain or loss on financial assets at fair value through profit or loss

This item includes changes in the fair value of financial assets as at FVPL and exclude interest and dividend income.

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

Realised gains and losses on disposals of financial instruments classified as at FVPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

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 group;
  - (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 Sub-Fund 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);
  - (vii) 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); and
  - (viii) the entity, of any member of a group of which it is a part, provides key management personnel services to the Sub-Fund or to the parent of the Sub-Fund.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amounts due from/to brokers

Amounts due from brokers include receivables for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to broker are payables for securities purchased (in a regular way transaction) that are financial liabilities, other than those classified as at FVPL.

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 income in the statement of profit or loss and other comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented gross of withholding taxes, when applicable.

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

Connected persons of the Manager and the trustee are those as defined in the SFC Code. All transactions entered into during the year between the Sub-Fund, the Manager and its 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 what is disclosed below.

a) Management fee

The Manager is entitled to receive a management fee from the Sub-Fund, current level at 1% per annum for Class I HKD Units (up to maximum of 1.75% 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 management fee for the period ended 31 December 2021 was HKD39,260. As at 31 December 2021, management fee of HKD18,328 was payable to the Manager.

b) Trustee fee

The Trustee is entitled to receive a trustee fee from the Sub-Fund, current level at 0.15% per annum (up to maximum of 0.5%) per annum, based on the net asset value, subject to minimum monthly fee of HKD40,000, which is waived from June 2021 to December 2021 and accrued on each valuation day and is paid monthly in arrears.

The trustee fee for the period ended 31 December 2021 was HKD5,889. As at 31 December 2021, trustee fee of HKD915 was payable to the Trustee.

c) Custodian fee and bank charges

The Custodian is entitled to receive custodian fees from the Sub-Fund, at a current level up to 0.06% (up to a maximum of 0.1%) per annum, calculated monthly and is paid monthly in arrears.

The custodian fees for the period ended 31 December 2021 were HKD136,101. As at 31 December 2021, there was no custodian fee payable to the Custodian.

For the period ended 31 December 2021, bank charges of HKD4,080 were charged by Bank of China (Hong Kong) Limited.

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

- d) Brokerage fees and other transaction costs – Investment handling fee  
Brokerage fees and other transaction costs comprise of broker commission, investment handling fee and investment related charges. Investment handling fee pertain to fee charges on transaction made through the Administrator at HKD100 per transaction made, which is reduced by 50% from August 2021 to December 2021. The investment handling fee for the period ended 31 December 2021 was HKD52,450. As at 31 December 2021, investment handling fee of HKD8,350 was payable to the Administrator.
- e) Bank deposits held by the Trustee's affiliates  
The Sub-Fund's bank deposits was held by the Trustee's affiliates, Bank of China (Hong Kong) Limited, with interest income amounting to HKD314 for the period ended 31 December 2021. Further details of the balance held are described in note 11 to the financial statements.
- f) Investment transactions with connected persons of the Trustee and its affiliates  
Bank of China (Hong Kong) Limited is the Trustee's fellow subsidiary.

	Aggregate value of purchases and sales of securities HKD	Total commission paid HKD	% of Sub-Fund's total transactions during the year %	Average commission Rate %
2021				
Bank of China (Hong Kong) Limited	3,999,927	-	1.00%	-

- g) Expenses borne by the Manager  
The explanatory memorandum stated that it is the Manager's current intention to cap the ongoing charges at 2.50% for Class I Units with respect to the average net asset value published from 25 June 2021 (date of inception) to 31 December 2021 ("Average Net Asset Value") per unit of the Sub-Fund; while any ongoing charges in excess of such figure as at the end of the reporting period will be borne by the Manager. The Manager has an absolute discretion to set the ongoing charges cap in respect of the units of the Sub-Fund at a rate below 2.50% of the Average Net Asset Value per unit.

The following amount of expenses incurred by the Sub-Fund were borne by the Manager for the period ended 31 December 2021.

	Expenses incurred by the Sub-Fund HKD	Income in the statement of profit or loss and other comprehensive income HKD
<u>For the period ended 31 December 2021</u>		
Reimbursement of expenses by the Manager	266,828	266,828

As at 31 December 2021, the reimbursement of expenses due from the Manager was HKD266,828.



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

h) Holdings in the Sub-Fund

The Sub-Fund allows the Manager, its connected persons and other funds managed by the Manager to subscribe for, and redeem, units in the Sub-Fund. ChinaAMC International Holdings Limited is the Manager's subsidiary. The holdings in the Sub-Fund by the Manager and its connected persons as at 31 December 2021 was as follows:

31 December 2021

	Units outstanding at the beginning of the period	Units subscribed during the period	Units redeemed during the period	Units outstanding at the end of the period
Class I HKD units held by: ChinaAMC International Holdings Limited	-	780,000	-	780,000

6. BROKERAGE FEES AND OTHER TRANSACTION COSTS

Except as disclosed in note 5(d) to the financial statements, the amount represented broker commission charged by relevant brokers, and other transaction fees such as SFC transaction levy, trading fee to respective stock exchanges and stamp duty on stock transaction incurred for purchases and sales of investments.

7. AMOUNTS DUE FROM AND DUE TO BROKERS

As at 31 December 2021, amounts due from brokers was HKD1,306,035 and amounts due to brokers was HKD912,335, which represent receivables and payables for securities sold and purchased that have been contracted for, but not yet delivered on the reporting date respectively.

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8. SOFT COMMISSION ARRANGEMENTS

The Manager maintains soft commission arrangements with three of its brokers in respect of the management of the Sub-Fund during the period ended 31 December 2021. The Manager has acted for the Sub-Fund in the exercise of investment discretion and has received goods or services from the brokers in consideration of directing transaction business on behalf of the Sub-Fund to the broker only if:

- a) the goods or services are of demonstrable benefit to the Sub-Fund
- b) transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary full-service brokerage rates;
- c) the Sub-Fund has consented in writing to the receipt of the goods and services; and
- d) disclosure is made of the Manager's practices for receiving the goods and services, including a description of the goods and services received.

For the period ended 31 December 2021, aggregate value of purchases and sales of securities with the three brokers under soft commission arrangements were HKD123,904,546, while commission amounted to HKD50,882 had been charged by the brokers.

Services received by Manager from the brokers during the period ended 31 December 2021 includes research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services, and investment-related publications. The nature of the services received is such that the benefits provided under the arrangement would assist the provision of investment services to the Sub-Fund and may contribute to an improvement in the Sub-Fund's performance.

9. INCOME TAX

Hong Kong

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.

PRC

Under PRC laws and regulations, foreign investors (such as the Sub-Fund) may be subject to a 10% withholding tax on income (such as dividend and capital gains) imposed on securities issued by PRC tax resident enterprises ("Distribution Tax"). 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 period ended 31 December 2021 was HKD5,602.

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9. INCOME TAX (continued)

Taiwan

Under Taiwan laws and regulations, foreign companies (such as the Sub-Fund) may be subject to a 21% withholding tax on income (such as dividend) imposed on securities issued by Taiwan corporations ("Distribution Tax"). There is no assurance that the rate of the distribution tax will not be changed by the Taiwan tax authorities in the future. The distribution tax provided for the period ended 31 December 2021 was HKD488.

United States

Under United States laws and regulations, foreign person (such as the Sub-Fund) may be subject to a 30% withholding tax on income (such as dividend and capital gains) imposed on securities issued by United States corporations ("Distribution Tax"). There is no assurance that the rate of the distribution tax will not be changed by the United States tax authorities in the future. The distribution tax provided for the period ended 31 December 2021 was HKD30.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 HKD
Financial assets at fair value through profit or loss	
- Listed equity securities	6,519,011
Total financial assets at fair value through profit or loss	<u>6,519,011</u>

The fair value of financial assets traded in active markets is based on quoted market prices at the close of trading on the period end date.

The Sub-Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

The Sub-Fund's fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

When a price for an identical asset or liability is not observable, the Sub-Fund measures fair value using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, the Sub-Fund's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

Even when there is no observable market to provide pricing information about the sale of an asset or the transfer of a liability at the measurement date, a fair value measurement shall assume that a transaction takes place at that date, considered from the perspective of a market participant that holds the asset or owes the liability. That assumed transaction establishes a basis for estimating the price to sell the asset or to transfer the liability.

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10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets measured at fair value as at 31 December 2021.

	Quoted prices in active markets Level 1 HKD	Significant observable inputs Level 2 HKD	Significant unobservable inputs Level 3 HKD	Total HKD
31 December 2021				
Financial assets at fair value through profit or loss:				
- Listed equity securities	6,519,011	-	-	6,519,011

As at 31 December 2021, the Sub-Fund only invested in listed equity securities in the Hong Kong Stock Exchange, the Tokyo Stock Exchange, the Shanghai Stock Exchange and the Shenzhen Stock Exchange. There were no investments classified within Level 2 and Level 3, and no transfers between levels for the period ended 31 December 2021.

11. CASH AND CASH EQUIVALENTS

	2021 HKD
Cash at bank	<u>266,881</u>

The bank balance is the cash at bank held with Bank of China (Hong Kong) Limited, affiliate company of the Trustee. The bank balance comprises savings and current account with bank at market interest rates. The bank balance is deposited with creditworthy bank with no recent history of default.

12. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The consideration received or paid for units issued or re-purchased respectively is based on the value of the Sub-Fund's net asset value per unit at the date of the transaction. In accordance with the provisions, the Sub-Fund investment positions are valued based on the last traded market price for the purpose of determining the trading net asset value per unit for subscriptions and redemptions. The Sub-Fund's net asset value per unit is calculated by dividing the Sub-Fund's net assets with the total number of outstanding units.

Capital management

The Sub-Fund's objectives for managing capital are to invest the capital in investments in order to achieve its investment objective while maintaining sufficient liquidity to meet the expenses of the Sub-Fund, and to meet redemption requests as they arise.

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12. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

A reconciliation of the net assets attributable to unitholders as reported in the statement of financial position to the net assets attributable to unitholders determined for the purposes of processing unit subscriptions and redemptions is provided below:

	2021 HKD
Net assets attributable to unitholders (calculated in accordance with Explanatory Memorandum)	7,312,293
Adjustment for formation costs (Note)	<u>( 168,554)</u>
Net assets attributable to unitholders (calculated in accordance with IFRSs)	<u>7,143,739</u>
Net assets attributable to unitholders (per unit) (calculated in accordance with Explanatory Memorandum)	
Class I HKD	<u>9.3747</u>
Net assets attributable to unitholders (per unit) (calculated in accordance with IFRSs)	
Class I HKD	<u>9.1586</u>

Note:

The published net assets are calculated in accordance with the prospectus where formation costs are capitalised and to be amortised over the first five years of the operation of the Sub-Fund. For the net assets as reported in the financial statements, the formation costs are expensed as incurred as required under IFRSs. The unamortised amount HKD168,554 and the remaining period was 54 months as at 31 December 2021.

13. FINANCIAL RISK AND MANAGEMENT OBJECTIVE 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), liquidity risk and credit risk arising from the financial instruments it holds.

(a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and indirectly observable variables such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investors' expectation, etc., which may have significant impact on the value of the investments. Market movement may therefore result in substantial fluctuation in the net asset value of redeemable units of the Sub-Fund.

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

13. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

(a) Market risk (continued)

The maximum risk resulting from financial instruments equals their fair value.

The Sub-Fund assumes market risk in trading activities. The Sub-Fund distinguishes market risk as price risk, interest rate risk and foreign exchange risk.

(i) Price risk

The Sub-Fund's market price risk is managed through diversification of the investment portfolio as well as investing in securities with strong fundamentals. The table below summarises the overall market exposures of the Sub-Fund and the impact of increases/decreases from the Sub-Fund's financial assets at FVPL on the Sub-Fund's net asset value as at 31 December 2021. The analysis is based on the assumption that the underlying investments in equity securities increased/decreased by a reasonable possible shift, with all other variables held constant.

However, this does not represent a prediction of the future movement in the corresponding key markets.

	Carrying value of financial assets at FVPL HKD	% of net assets %	Increase/ (decrease) in shift in underlying securities %	Increase/ (decrease) in estimated possible change in net asset value HKD
31 December 2021				
Financial assets at fair value through profit or loss	6,519,011	91	5	325,951
			(5)	(325,951)

(ii) Interest rate risk

Interest rate risk arises from the effects of fluctuations of markets interest rates on the fair value of interest-bearing assets and future cash flows.

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.

NOTES TO THE FINANCIAL STATEMENTS

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13. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

(a) Market risk (continued)

(iii) Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Sub-Fund holds assets and liabilities mainly denominated in HKD, the functional currency of the Sub-Fund. The Manager considers the Sub-Fund is not exposed to significant currency risk and therefore no sensitivity analysis is presented.

(b) Liquidity risk

Liquidity risk is defined as the risk that the Sub-Fund will encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Sub-Fund could be required to pay its liabilities or redeem its units earlier than expected. The Sub-Fund is exposed to daily cash redemptions of its redeemable units. Units are redeemable at the holder's option based on the Sub-Fund's net asset value per unit at the time of redemption, calculated in accordance with the Sub-Fund's Trust Deed. It is the Sub-Fund's policy that the Manager monitors the Sub-Fund's liquidity position on a daily basis.

The table below summarises the maturity profile of the Sub-Fund's financial assets and liabilities at the end of the reporting period based on contractual undiscounted cash flows in order to provide a complete view of the Sub-Fund's contractual commitments and liquidity.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Sub-Fund can be required to pay.

Financial assets

Analysis of debt securities at fair value through profit or loss into maturity groupings is based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date on which the assets will be realised.

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13. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

(b) Liquidity risk (continued)

	On demand HKD	Within 1 month HKD	1 month to 3 months HKD	More than 3 months to 1 year HKD	Total HKD
As at 31 December 2021					
<u>Financial assets</u>					
Financial assets at fair value through profit or loss	-	6,519,011	-	-	6,519,011
Amount due from Manager	-	-	266,828	-	266,828
Amount due from brokers	-	1,306,035	-	-	1,306,035
Dividend receivables	-	14,320	-	-	14,320
Cash and cash equivalents	266,881	-	-	-	266,881
Total financial assets	<u>266,881</u>	<u>7,839,366</u>	<u>266,828</u>	<u>-</u>	<u>8,373,075</u>
<u>Financial liabilities</u>					
Management fee payable	-	18,328	-	-	18,328
Trustee fee payable	-	915	-	-	915
Accrued expenses and other payables	-	8,350	-	288,921	297,271
Amounts due to brokers	-	912,335	-	-	912,335
Total financial liabilities	<u>-</u>	<u>939,928</u>	<u>-</u>	<u>288,921</u>	<u>1,228,849</u>



NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

13. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

(c) 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 an 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 Manager's policy is to closely monitor the creditworthiness of the Sub-Fund's counterparties (e.g., brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9's impairment disclosures or not.

**Financial assets subject to IFRS 9's impairment requirements**

The Sub-Fund's financial assets subject to the ECL model within IFRS 9 are only cash and cash equivalents, amount due from Manager, amounts due from brokers and dividend receivables. As at 31 December 2021, the total of cash and cash equivalents, amount due from Manager, amounts due from brokers, and dividend receivables was HKD1,854,064 on which no loss allowance had been provided. There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the year.

For financial assets measured at amortised cost, the Sub-Fund applies the general approach for impairment, there is no information indicating that the financial asset had a significant increase in credit risk since initial recognition. The financial assets therefore are classified at stage 1 and presented in gross carrying amount.

In calculating the loss allowance, a provision matrix has been used based on historical observed loss rates over the expected life of the receivables adjusted for forward-looking estimates. Items have been grouped by their nature into the following categories: cash and cash equivalents, amount due from Manager, amount due from brokers and dividend receivables. All the Sub-Fund's cash and cash equivalents are held in major financial institutions located in Hong Kong, which the Manager believes are of high credit quality. The Manager considers the Sub-Fund is not exposed to significant credit risk and no loss allowance has been made.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

13. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

(c) Credit and counterparty risk (continued)

**Financial assets not subject to IFRS 9's impairment requirements**

The Sub-Fund is exposed to credit risk on equity securities. This class of financial assets is not subject to IFRS 9's impairment requirements as they are measured at FVPL. The carrying value of these assets, under IFRS 9 represents the Sub-Fund's maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of assets held with the Custodian. The tables below summarise the Sub-Fund's assets placed with the Custodian and their related credit ratings:

31 December 2021

<u>Custodian</u>	HKD	Credit rating	Source of credit rating
Bank of China (Hong Kong) Limited	6,519,011	A+	S&P

The Manager of the Sub-Fund considers that none of these assets are impaired nor past due as at 31 December 2021.

14. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Trustee and the Manager on 22 April 2022.

CHINAAMC SELECT CHINA LEAP EQUITY FUND  
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INVESTMENT PORTFOLIO

31 December 2021

	Nominal Value/ Quantity HKD	Fair Value HKD	% of net asset
<b><u>LISTED EQUITIES</u></b>			
<b>China</b>			
BEIJING DABEINONG TECHNOLOGY GROUP CO LTD-A	43,000	553,664	7.75%
SHANGHAI PHARMACEUTICALS HLDG CO LTD-A	9,400	229,260	3.21%
<i>Total of equity securities traded in China</i>		782,924	10.96%
<b>Hong Kong</b>			
AVICHINA INDUSTRY & TECHNOLOGY CO LTD-H	121,000	652,190	9.13%
CHINA MOBILE LTD	13,500	631,800	8.84%
CHINA SHENHUA ENERGY CO LTD-H	30,000	548,400	7.68%
CHINA TELECOM CORP LTD-H	168,000	436,000	6.11%
CHINA UNICOM (HONG KONG) LTD	112,000	436,800	6.11%
ORIENT OVERSEAS INTL LTD	1,500	286,950	4.02%
QINGDAO PORT INTL CO LTD-H	148,000	639,360	8.95%
SHANGHAI PHARMACEUTICALS HLDG CO LTD-H	31,700	468,526	6.56%
TONG REN TANG TECHNOLOGIES CO LTD-H	60,000	502,800	7.04%
ZHAOJIN MINING INDUSTRY CO LTD-H	67,000	446,220	6.25%
<i>Total of equity securities traded in Hong Kong</i>		5,049,846	70.69%
<b>Japan</b>			
SONY CORP	700	686,241	9.60%
<i>Total of equity securities traded in Japan</i>		686,241	9.60%
<b>Total investment portfolio (Cost: HKD 6,379,869)</b>		6,519,011	91.25%
<b>Other assets</b>		624,728	8.75%
<b>Total net assets</b>		<u>7,143,739</u>	<u>100.00%</u>

CHINAAMC SELECT CHINA LEAP EQUITY FUND  
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MOVEMENT IN PORTFOLIO HOLDINGS

For the Period from 25 June 2021 (date of inception) to 31 December 2021

	As at 25 June 2021	Movement in holdings			As at 31 December 2021
		Addition	Bonus/ Dividends	Disposal	
<b><u>LISTED EQUITIES</u></b>					
<b>China</b>					
AVIC HEAVY MACHINERY CO LTD-A	-	27,700	-	(27,700)	-
BEIJING DABEINONG TECHNOLOGY GROUP CO LTD-A	-	43,000	-	-	43,000
BEIJING TONGTECH CO LTD-A	-	7,300	-	(7,300)	-
BTG HOTELS (GROUP) CO LTD-A	-	8,200	-	(8,200)	-
CHINA AVIONICS SYSTEMS CO LTD-A	-	12,600	-	(12,600)	-
CHINA JUSHI CO LTD-A	-	52,900	-	(52,900)	-
CHINA MINMETALS RARE EARTH CO LTD-A	-	31,500	-	(31,500)	-
CHONGQING CHANGAN AUTOMOBILE CO LTD-A	-	4,800	1,920	(6,720)	-
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	-	3,100	-	(3,100)	-
EAST MONEY INFORMATION CO LTD-A	-	13,600	-	(13,600)	-
EVE ENERGY CO LTD-A	-	7,600	-	(7,600)	-
GIGADEVICE SEMICONDUCTOR BEIJING INC-A	-	2,700	-	(2,700)	-
HE BEI CHENG DE LOLO CO LTD-A	-	44,800	-	(44,800)	-
INNER MONGOLIAN BAOTOU STEEL UNION CO LTD-A	-	805,900	-	(805,900)	-
KWEICHOW MOUTAI CO LTD-A	-	100	-	(100)	-
LONGI GREEN ENERGY TECHNOLOGY CO LTD-A	-	15,200	-	(15,200)	-
LUXSHARE PRECISION INDUSTRY CO LTD-A	-	24,200	-	(24,200)	-
MAYINGLONG PHARMACEUTICAL GROUP CO LTD-A	-	29,900	-	(29,900)	-
NANJING YUNHAI SPECIAL METALS CO LTD-A	-	16,300	-	(16,300)	-
NARI TECHNOLOGY CO LTD-A	-	10,800	-	(10,800)	-
NAURA TECHNOLOGY GROUP CO LTD-A	-	500	-	(500)	-
SAIC MOTOR CORP LTD-A	-	32,100	-	(32,100)	-
SHANGHAI JINJIANG INTL HOTELS DEVELOPMENT CO LTD-A	-	9,900	-	(9,900)	-
SHANGHAI PHARMACEUTICALS HLDG CO LTD-A	-	9,400	-	-	9,400
SHENZHEN SC NEW ENERGY TECHNOLOGY CORP-A	-	1,500	-	(1,500)	-
SHENZHEN TRANSSION HLDGS CO LTD-A	-	4,200	-	(4,200)	-
SUNRESIN NEW MATERIALS CO LTD-A	-	2,600	-	(2,600)	-
TIANJIN ZHONGHUAN SEMICONDUCTOR CO LTD-A	-	13,100	-	(13,100)	-
TOPSEC TECHNOLOGIES GROUP INC-A	-	6,000	-	(6,000)	-
WILL SEMICONDUCTOR LTD-A	-	2,700	-	(2,700)	-
YTO EXPRESS GROUP CO LTD-A	-	31,400	-	(31,400)	-
YUNDA HLDG CO LTD-A	-	39,700	-	(39,700)	-
ZHANGZHOU PIENZHEHUANG PHARMACEUTICAL CO LTD-A	-	900	-	(900)	-
ZHEJIANG CENTURY HUATONG GROUP CO LTD-A	-	105,500	-	(105,500)	-

CHINAAMC SELECT CHINA LEAP EQUITY FUND  
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MOVEMENT IN PORTFOLIO HOLDINGS (continued)

For the Period from 25 June 2021 (date of inception) to 31 December 2021

	As at 25 June 2021	Movement in holdings			As at 31 December 2021
		Addition	Bonus/ Dividends	Disposal	
<b>LISTED EQUITIES</b> (continued)					
<b>Hong Kong</b>					
AAC TECHNOLOGIES HLDGS INC	-	2,500	-	(2,500)	-
AIA GROUP LTD	-	13,200	-	(13,200)	-
ALIBABA GROUP HLDG LTD	-	14,700	-	(14,700)	-
ALUMINUM CORP OF CHINA LTD-H	-	212,000	-	(212,000)	-
ANGANG STEEL CO LTD-H	-	76,000	-	(76,000)	-
ANHUI CONCH CEMENT CO LTD-H	-	15,500	-	(15,500)	-
ANTA SPORTS PRODUCTS LTD	-	3,000	-	(3,000)	-
ANTENGENE CORP LTD	-	18,500	-	(18,500)	-
AVICHINA INDUSTRY & TECHNOLOGY CO LTD-H	-	497,000	-	(376,000)	121,000
BANK OF CHINA LTD-H	-	593,000	-	(593,000)	-
BEIJING JINGNENG CLEAN ENERGY CO LTD-H	-	594,000	-	(594,000)	-
BOC HONG KONG (HLDGS) LTD	-	28,500	-	(28,500)	-
BOSIDENG INTL HLDGS LTD	-	42,000	-	(42,000)	-
BYD CO LTD-H	-	8,000	-	(8,000)	-
BYD ELECTRONIC (INTL) CO LTD	-	16,500	-	(16,500)	-
CHAOJU EYE CARE HLDGS LTD	-	70,000	-	(70,000)	-
CHINA CONSTRUCTION BANK CORP-H	-	212,000	-	(212,000)	-
CHINA DATANG CORP RENEWABLE POWER CO LTD-H	-	238,000	-	(238,000)	-
CHINA EDUCATION GROUP HLDGS LTD	-	43,000	-	(43,000)	-
CHINA ENERGY ENGINEERING CORP LTD-H	-	642,000	-	(642,000)	-
CHINA FEIHE LTD	-	35,000	-	(35,000)	-
CHINA INTL CAPITAL CORP LTD-H	-	26,800	-	(26,800)	-
CHINA LIFE INSURANCE CO LTD-H	-	28,000	-	(28,000)	-
CHINA LONGYUAN POWER GROUP CORP LTD-H	-	34,000	-	(34,000)	-
CHINA MENGNIU DAIRY CO LTD	-	20,000	-	(20,000)	-
CHINA MERCHANTS BANK CO LTD-H	-	32,000	-	(32,000)	-
CHINA MOBILE LTD	-	61,000	-	(47,500)	13,500
CHINA MOLYBDENUM CO LTD-H	-	75,000	-	(75,000)	-
CHINA NATIONAL BUILDING MATERIAL CO LTD-H	-	54,000	-	(54,000)	-
CHINA PACIFIC INSURANCE (GROUP) CO-H	-	15,800	-	(15,800)	-
CHINA POWER INTL DEVELOPMENT LTD	-	1,064,000	-	(1,064,000)	-
CHINA RARE EARTH HLDGS LTD	-	650,000	-	(650,000)	-
CHINA RESOURCES BEER HLDGS CO LTD	-	12,000	-	(12,000)	-
CHINA RESOURCES CEMENT HLDGS LTD	-	56,000	-	(56,000)	-
CHINA RESOURCES GAS GROUP LTD	-	30,000	-	(30,000)	-
CHINA RESOURCES POWER HLDGS CO	-	90,000	-	(90,000)	-
CHINA SHENHUA ENERGY CO LTD-H	-	134,000	-	(104,000)	30,000
CHINA SOUTHERN AIRLINES CO LTD-H	-	142,000	-	(142,000)	-
CHINA TAIPING INSURANCE HLDGS CO LTD	-	49,400	-	(49,400)	-
CHINA TELECOM CORP LTD-H	-	1,268,000	-	(1,100,000)	168,000
CHINA TOWER CORP LTD-H	-	1,248,000	-	(1,248,000)	-
CHINA UNICOM (HONG KONG) LTD	-	712,000	-	(600,000)	112,000
CHINA ZHENG TONG AUTO SERVICES HLDGS LTD	-	1,258,000	-	(1,258,000)	-
CHINASOFT INTL LTD	-	76,000	-	(76,000)	-
CNOOC LTD	-	349,000	-	(349,000)	-
COSCO SHIPPING HLDGS CO LTD-H	-	28,500	-	(28,500)	-

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MOVEMENT IN PORTFOLIO HOLDINGS (continued)

For the Period from 25 June 2021 (date of inception) to 31 December 2021

	As at 25 June 2021	Movement in holdings			As at 31 December 2021
		Addition	Bonus/ Dividends	Disposal	
<b>LISTED EQUITIES</b> (continued)					
<b>Hong Kong</b> (continued)					
CSPC PHARMACEUTICAL GROUP LTD	-	108,000	-	(108,000)	-
DFZQ-H	-	192,800	-	(192,800)	-
DONGFENG MOTOR GROUP CO LTD-H	-	46,000	-	(46,000)	-
ENN ENERGY HLDGS LTD	-	4,500	-	(4,500)	-
FRONTAGE HLDGS CORP	-	22,000	-	(22,000)	-
FUYAO GLASS INDUSTRY GROUP CO LTD-H	-	25,200	-	(25,200)	-
GALAXY ENTERTAINMENT GROUP LTD	-	63,000	-	(63,000)	-
GCL POLY ENERGY HLDGS LTD	-	331,000	-	(331,000)	-
GEELY AUTOMOBILE HLDGS LTD	-	16,000	-	(16,000)	-
GF SECURITIES CO LTD-H	-	124,800	-	(124,800)	-
GREAT WALL MOTOR CO LTD-H	-	79,000	-	(79,000)	-
GUANGDONG INVESTMENT LTD	-	58,000	-	(58,000)	-
GUANGZHOU AUTOMOBILE GROUP CO LTD-H	-	88,000	-	(88,000)	-
HAIER SMART HOME CO LTD -H	-	21,200	-	(21,200)	-
HELENS INTL HLDGS CO LTD	-	10,000	-	(10,000)	-
HONG KONG & CHINA GAS CO LTD	-	454,000	-	(454,000)	-
HSBC HLDGS PLC	-	40,000	-	(40,000)	-
HUA HONG SEMICONDUCTOR LTD	-	47,000	-	(47,000)	-
HUANENG POWER INTL INC-H	-	480,000	-	(480,000)	-
HUATAI SECURITIES CO LTD-H	-	75,600	-	(75,600)	-
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	-	134,000	-	(134,000)	-
INSPUR INTL LTD	-	230,000	-	(230,000)	-
JINXIN FERTILITY GROUP LTD	-	4,000	-	(4,000)	-
KEYMED BIOSCIENCES INC	-	20,000	-	(20,000)	-
KINTOR PHARMACEUTICAL LTD	-	11,500	-	(11,500)	-
KUAISHOU TECHNOLOGY	-	7,000	-	(7,000)	-
LI AUTO INC-CL A	-	9,100	-	(9,100)	-
MAANSHAN IRON & STEEL CO LTD-H	-	198,000	-	(198,000)	-
MEITUAN-CLASS B	-	27,100	-	(27,100)	-
METALLURGICAL CORP OF CHINA LTD-H	-	205,000	-	(205,000)	-
MODERN DENTAL GROUP LTD	-	133,000	-	(133,000)	-
NAYUKI HLDGS LTD	-	50,500	-	(50,500)	-
NETEASE INC	-	5,100	-	(5,100)	-
NINE DRAGONS PAPER HLDGS LTD	-	109,000	-	(109,000)	-
ORIENT OVERSEAS INTL LTD	-	8,000	-	(6,500)	1,500
PETROCHINA CO LTD-H	-	410,000	-	(410,000)	-
PICC PROPERTY & CASUALTY CO LTD-H	-	78,000	-	(78,000)	-
PING AN INSURANCE GROUP CO OF CHINA LTD-H	-	9,500	-	(9,500)	-
POLY CULTURE GROUP CORP LTD-H	-	67,000	-	(67,000)	-
POSTAL SAVINGS BANK OF CHINA CO LTD-H	-	404,000	-	(404,000)	-
PRUDENTIAL PLC	-	6,800	-	(6,800)	-
QINGDAO PORT INTL CO LTD-H	-	148,000	-	-	148,000
SAMSONITE INTL SA	-	107,100	-	(107,100)	-
SANDS CHINA LTD	-	54,400	-	(54,400)	-
SEMICONDUCTOR MANUFACTURING INTL CORP	-	48,000	-	(48,000)	-
SHANGHAI FOSUN PHARMACEUTICAL GROUP CO LTD-H	-	26,500	-	(26,500)	-

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MOVEMENT IN PORTFOLIO HOLDINGS (continued)

For the Period from 25 June 2021 (date of inception) to 31 December 2021

	As at 25 June 2021	Movement in holdings			As at 31 December 2021
		Addition	Bonus/ Dividends	Disposal	
<b>LISTED EQUITIES</b> (continued)					
<b>Hong Kong</b> (continued)					
SHANGHAI FUDAN MICROELECTRONICS GROUP CO LTD-H	-	18,000	-	(18,000)	-
SHANGHAI HENLIUS BOITECH INC-H	-	56,700	-	(56,700)	-
SHANGHAI PHARMACEUTICALS HLDG CO LTD-H	-	106,700	-	(75,000)	31,700
SINO BIOPHARMACEUTICAL LTD	-	94,000	-	(94,000)	-
SINOPEC SHANGHAI PETROCHEMICAL CO LTD-H	-	862,000	-	(862,000)	-
SITC INTL HLDGS CO LTD	-	15,000	-	(15,000)	-
SJM HLDGS LTD	-	163,000	-	(163,000)	-
SMOORE INTL HLDHS LTD	-	11,000	-	(11,000)	-
SUN KING TECHNOLOGY GROUP LTD	-	106,000	-	(106,000)	-
SUNAC CHINA HLDGS LTD	-	32,000	-	(32,000)	-
SUNAC SERVICES HLDGS LTD	-	27,000	-	(27,000)	-
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	-	2,100	-	(2,100)	-
TENCENT HLDGS LTD	-	12,700	-	(12,700)	-
TINGYI (CAYMAN ISLANDS) HLDG CORP	-	48,000	-	(48,000)	-
TONG REN TANG TECHNOLOGIES CO LTD-H	-	60,000	-	-	60,000
TOWNGAS CHINA CO LTD	-	135,000	-	(135,000)	-
WEIMOB INC	-	100,000	-	(100,000)	-
WH GROUP LTD	-	95,000	-	(95,000)	-
WUXI BIOLOGICS CAYMAN INC	-	5,000	-	(5,000)	-
XIAOMI CORP-CLASS B SHARE	-	25,600	-	(25,600)	-
XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO LTD-H	-	47,000	-	(47,000)	-
XINTE ENERGY CO LTD-H	-	83,200	-	(83,200)	-
XINYI ENERGY HLDGS LTD	-	98,000	-	(98,000)	-
XINYI GLASS HLDG CO LTD	-	6,000	-	(6,000)	-
XINYI SOLAR HLDGS LTD	-	62,000	-	(62,000)	-
YANKUANG ENERGY GROUP CO LTD-H	-	30,000	-	(30,000)	-
YUEXIU SERVICES GROUP LTD	-	126,500	-	(126,500)	-
ZHAOJIN MINING INDUSTRY CO LTD-H	-	67,000	-	-	67,000
ZHENGZHOU COAL MINING MACHINERY GROUP CO LTD-H	-	111,600	-	(111,600)	-
ZHOU HEI YA INTL HLDGS CO LTD	-	164,000	-	(164,000)	-
ZHUZHOU CRRC TIMES ELECTRIC CO LTD-H	-	60,100	-	(60,100)	-
ZIJIN MINING GROUP CO LTD-H	-	54,000	-	(54,000)	-
<b>Japan</b>					
CAPCOM CO LTD	-	3,000	-	(3,000)	-
HOYA CORP	-	500	-	(500)	-
SONY CORP	-	1,300	-	(600)	700

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MOVEMENT IN PORTFOLIO HOLDINGS (continued)

For the Period from 25 June 2021 (date of inception) to 31 December 2021

	As at 25 June 2021	Movement in holdings			As at 31 December 2021
		Addition	Bonus/ Dividends	Disposal	
<b><u>LISTED EQUITIES</u></b> (continued)					
<b>United States</b>					
ALBEMARLE CORP	-	330	-	(330)	-
AMAZON.COM INC	-	26	-	(26)	-
ASML HLDG NV-NY REG	-	68	-	(68)	-
LULULEMON ATHLETICA INC	-	245	-	(245)	-
META PLATFORMS INC-CL A	-	360	-	(360)	-
MICROSOFT CORP	-	223	-	(223)	-
NOVAVAX INC	-	100	-	(100)	-
QUALCOMM INC	-	300	-	(300)	-
ROBLOX CORP-CL A	-	990	-	(990)	-
YUM CHINA HLDGS INC	-	1,320	-	(1,320)	-
<b><u>LEVERAGED AND INVERSE PRODUCT</u></b>					
<b>Hong Kong</b>					
CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT	-	367,800	-	(367,800)	-
<b><u>MUTUAL FUNDS</u></b>					
<b>Hong Kong</b>					
LINK REAL ESTATE INVESTMENT TRUST	-	20,700	-	(20,700)	-
<b>United States</b>					
DIREXION DAILY SEMICONDUCTORS BULL 3X SHARES	-	4,102	-	(4,102)	-
<b><u>DEPOSIT RECEIPT</u></b>					
<b>Taiwan</b>					
TAIWAN SEMICONDUCTOR MANUFACTURING CO-ADR	-	600	-	(600)	-
<b>United States</b>					
ALIBABA GROUP HLDG LTD-SPONSORED ADR	-	405	-	(405)	-
BILIBILI INC-ADR	-	2,616	-	(2,616)	-
BIONTECH SE-SPONSORED ADR	-	100	-	(100)	-
DAQO NEW ENERGY CORP-ADR	-	2,841	-	(2,841)	-
DIDI GLOBAL INC-SPONSORED ADR	-	7,050	-	(7,050)	-
JD.COM INC-ADR	-	1,705	-	(1,705)	-
LI AUTO INC-SPONSORED ADR	-	2,330	-	(2,330)	-
NETEASE INC-ADR	-	3,787	-	(3,787)	-
NEW ORIENTAL EDUCATION & TECHNOLOGY-ADR	-	35,100	-	(35,100)	-
NIO INC-SPONSORED ADR	-	3,180	-	(3,180)	-
PINDUODUO INC-SPONSORED ADR	-	800	-	(800)	-
WEIBO CORP-SPONSORED ADR	-	1,000	-	(1,000)	-
XPENG INC-SPONSORED ADR	-	1,620	-	(1,620)	-
ZHIHU INC-SPONSORED ADR	-	9,500	-	(9,500)	-
ZTO EXPRESS CAYMAN INC-SPONSORED ADR	-	5,250	-	(5,250)	-



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MOVEMENT IN PORTFOLIO HOLDINGS (continued)

For the Period from 25 June 2021 (date of inception) to 31 December 2021

	As at 25 June 2021	Movement in holdings			As at 31 December 2021
		Addition	Bonus/ Dividends	Disposal	
<b><u>MONEY MARKET INSTRUMENT</u></b>					
<b>Hong Kong</b>					
HONG KONG T-BILLS 0% A 01DEC2021	-	1,000,000	-	(1,000,000)	-
HONG KONG T-BILLS 0% A 08SEP2021	-	500,000	-	(500,000)	-
HONG KONG T-BILLS 0% A 11AUG2021	-	1,000,000	-	(1,000,000)	-
HONG KONG T-BILLS 0% A 19JAN2022	-	500,000	-	(500,000)	-
HONG KONG T-BILLS 0% A 22DEC2021	-	2,500,000	-	(2,500,000)	-
<b><u>WARRANT</u></b>					
<b>Cayman</b>					
SPACE III LTD-XINJIANG BA YI IRON & STEEL CO LTD CALL WTS 29JUN2022	-	117,400	-	(117,400)	-
<b><u>EQUITY-LINKED NOTE</u></b>					
<b>China</b>					
UBS ELN 600581.SS 29JUL2022	-	92,200	-	(92,200)	-
<b>Total investment portfolio</b>	<u>-</u>	<u>26,179,348</u>	<u>1,920</u>	<u>(25,375,468)</u>	<u>805,800</u>

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

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

Below is the summary of gross exposure and net derivative exposure arising from the use of financial derivative instruments during the period ended 31 December 2021.

**Gross exposure**

	Lowest %	Highest %	Average %
For the period ended 31 December 2021			
Warrant	-	8.79%	0.72%
Equity-link note	-	8.76%	0.20%

**Net exposure**

	Lowest %	Highest %	Average %
For the period ended 31 December 2021			
Warrant	-	8.79%	0.72%
Equity-link note	-	8.76%	0.20%

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

PERFORMANCE TABLE

Net asset value attributable to unitholders

	Net assets value per unit HKD	Net assets attributable to unitholders HKD
31 December 2021 Class I HKD	9.1586	7,143,739

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

	Highest issue unit price HKD	Lowest redemption unit price HKD
Period from 25 June 2021 (date of inception) to 31 December 2021 Class I HKD	10.6701	9.0306

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

