

ChinaAMC Select Fund

ChinaAMC Select Stable Income Fund

Unaudited Semi-Annual Report

For the period from
11 May 2022 (date of inception) to 30 June 2022



华夏基金
ChinaAMC

UNAUDITED SEMI-ANNUAL REPORT

CHINAAMC SELECT STABLE INCOME 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 11 May 2022 (date of inception) to 30 June 2022

CHINAAMC SELECT STABLE INCOME 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:

<http://www.chinaamc.com.hk/en/products/public-fund/ChinaAMC-Select-Stable-Income-Fund/document.html>

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

CHINAAMC SELECT STABLE INCOME 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 STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

ChinaAMC Select Stable Income Fund (the “Sub-Fund”) is a sub-fund of ChinaAMC Select Fund, an umbrella unit trust established under the laws of Hong Kong pursuant to a trust deed dated 12 January 2012, as amended or supplemented from time to time. The Sub-Fund aims to provide stable income by mainly investing in money market instruments denominated in USD or HKD. The Sub-Fund will not have limits on the weighted average maturity and weighted average life of the portfolio. The Sub-Fund will not have a limit on the remaining maturity of a single investment instrument. The Sub-Fund is not authorized as a money market fund under the SFC’s Code on Unit Trusts and Mutual Funds for offering to the public.

Market Review

The 1st half of 2022 would surely go down in history. The abrupt escalation of the conflict between Russia and Ukraine, along with the rapid worsening of the pandemic in the mainland of China, have added to the turbulence in the global financial markets. With high inflation already a headache for many overseas economies, the pace of monetary tightening in developed markets has exceeded market expectations. All these surprises have cast a shadow on the prospects of global economic growth and stirred up enormous volatility in financial markets.

Looking ahead to the second half, the confluence of rising inflation and tightening cycles in overseas economies are set to weigh on global financial markets. On the other hand, China is expected to regain its growth momentum as the domestic pandemic situation improves. Moreover, there is also a notable effort to intensify policy support for economic stability in China, and the impact will be seen and felt, especially when the pandemic eases.

Meanwhile, for overseas bond markets, there are more rattling factors. Major developed countries are facing a real risk of stagflation amid weak supply and demand, as well as a looming economic downturn.

Though the Fed has described the economy as “weakening,” rather than in a recession, key macroeconomic indicators in the United States, such as retail, services, and housing data will be closely monitored by investors. We maintain a neutral to cautious outlook on the U.S. dollar interest rate duration as interest rates remain volatile and have not shown a trend of steady decline. In terms of the credit market, we prefer short-duration investment-grade bonds.

China Asset Management (Hong Kong) Limited
22 August 2022

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period from 11 May 2022 (date of inception) to 30 June 2022

For the period
from (date of
inception)
11 May 2022
to 30 June 2022
(Unaudited)
USD

INCOME

Interest income on financial assets at fair value through profit or loss	1,384
Interest income on bank deposits	126,575
Management fee rebate	24,459
	<u>152,418</u>

EXPENSES

Management fee	(32,619)
Trustee fee	(19,225)
Custodian fee and bank charges	(5,327)
Auditors' remuneration	(3,907)
Transaction handling fee	(4,871)
Other expenses	(1,325)
	<u>(67,274)</u>

FINANCE COSTS

Distribution to unitholders	
- Class A DIST HKD	(135,802)
- Class A DIST USD	(84,929)
- Class I DIST USD	(31,703)
	<u>(252,434)</u>

LOSS BEFORE INVESTMENT AND EXCHANGE
DIFFERENCES

(167,290)

INVESTMENT GAINS AND EXCHANGE DIFFERENCES

Net gain on financial assets at fair value through profit or loss	130,069
Net foreign exchange gain	37,238
	<u>167,307</u>

PROFIT BEFORE TAX

17

Withholding tax

(17)

INCREASE IN NET ASSETS

ATTRIBUTABLE TO UNITHOLDERS

-

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2022

30 June 2022
(Unaudited)
USD

ASSETS

Financial assets at fair value through profit or loss	24,680,546
Time deposits	62,532,655
Interest receivables	141,237
Subscription receivables	575,381
Amount due from Manager	24,459
Cash and cash equivalents	175,460,527
TOTAL ASSETS	263,414,805

LIABILITIES

Management fee payable	32,619
Trustee fee payable	19,225
Distribution payables	6,997
Redemption payables	2,077,335
Accrued expenses and other payables	13,240
TOTAL LIABILITIES	2,149,416

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

261,265,389

TOTAL LIABILITIES AND EQUITY

263,414,805

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

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

For the period from 11 May 2022 (date of inception) to 30 June 2022

	Number of Units	USD
At 11 May 2022 (date of inception)	-	-
Subscription of units		
- Class A HKD	1,482,904,122	188,974,796
- Class A USD	106,035,511	106,035,511
- Class I USD	24,071,676	24,071,676
	<u>1,613,011,309</u>	<u>319,081,983</u>
Redemption of units		
- Class A HKD	(418,893,467)	(53,381,947)
- Class A USD	(4,434,647)	(4,434,647)
- Class I USD	-	-
	<u>(423,328,114)</u>	<u>(57,816,594)</u>
Increase in net assets attributable to unitholders	<u>-</u>	<u>-</u>
At 30 June 2022	<u>1,189,683,195</u>	<u>261,265,389</u>

NUMBER OF UNITS IN ISSUE

- Class A HKD	HKD1,064,010,655
- Class A USD	USD101,600,864
- Class I USD	<u>USD24,071,676</u>

NET ASSET VALUE PER UNIT

- Class A HKD	HKD1.0000
- Class A USD	USD1.0000
- Class I USD	<u>USD1.0000</u>

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

STATEMENT OF CASH FLOWS (UNAUDITED)

For the period from 11 May 2022 (date of inception) to 30 June 2022

For the period
from (date of
inception)
11 May 2022
to 30 June 2022
(Unaudited)
USD

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax	17
Increase in financial assets at fair value through profit or loss	(24,680,546)
Increase in interest receivable	(141,237)
Increase in subscription receivables	(575,381)
Increase in time deposit	(62,532,655)
Increase in amount due from Manager	(24,459)
Increase in management fee payable	32,619
Increase in redemption payables	2,077,335
Increase in trustee fee payable	19,225
Increase in distribution payable	6,997
Increase in accrued expenses and other payable	13,240
Cash used in operations	<u>(85,804,845)</u>
Tax paid	<u>(17)</u>
Net cash flows used in operating activities	<u>(85,804,862)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issue of units	319,081,983
Payments on redemption of units	<u>(57,816,594)</u>
Net cash flows generated from financing activities	<u>261,265,389</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS	175,460,527
Cash and cash equivalents at the beginning of the period	<u>-</u>

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>175,460,527</u></u>
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ANALYSIS OF CASH AND CASH EQUIVALENTS

Bank balance	74,525,725
Short-term deposit	<u>100,934,802</u>

NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:

Interest income on bank deposits	<u>126,575</u>
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CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

NOTES TO THE FINANCIAL STATEMENTS

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 Stable Income 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 11 May 2022. As at 31 December 2021, there are five other sub-funds established under the Trust and the inception dates are as follow:

	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 Money Market Fund	29 March 2019
ChinaAMC Select China Leap Equity Fund	25 June 2021

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 Sub-Fund aims to provide stable income by mainly investing in money market instruments denominated in USD or HKD. The Sub-Fund may invest not less than 70% of its Net Asset Value in money market instruments issued by governments, quasi-governments, international organisations, and financial institutions. The money market instruments that the Sub-Fund invests in may include but are not limited to short-term deposits, government bills, time deposit, certificates of deposit, commercial papers, bankers' acceptances and money market funds managed by a third party, the Manager, or its Connected Persons. To manage the Sub-Fund's liquidity, the Sub-Fund may hold up to 100% of its Net Asset Value in such money market instruments.

The Sub-Fund will not have limits on the weighted average maturity and weighted average life of the portfolio. The Sub-Fund will not have a limit on the remaining maturity of a single investment instrument.

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

NOTES TO THE FINANCIAL STATEMENTS

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 United States Dollars ("USD") and all values are rounded to the nearest USD 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 Estimates¹</i>
Amendments to IAS 1	<i>Disclosure of Accounting Policies¹</i>
Amendments to IFRS Practice Statement 2	<i>Making Materiality Judgements²</i>

¹ Effective for annual periods beginning on or after 1 January 2023

² 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

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 FVPL on the basis of both:

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

Financial assets measured at amortised cost

A debt instrument is 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 interest receivables, subscription receivables, amount due from the Manager and amount due from brokers.

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 equity instruments and debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price. This category also includes derivative contracts in an asset position.

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

NOTES TO THE FINANCIAL STATEMENTS

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(a) Classification (continued)

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Sub-Fund includes in this category management fee payable, trustee fee payable, accrued expenses and other payables, redemption payables, and amount due brokers.

Financial liabilities measured at FVPL

A financial liability is measured at FVPL if it meets the definition of held for trading.

The Sub-Fund includes in this category, derivative contracts in a liability position since they are held for trading. The Sub-Fund also includes its redeemable units in this category.

(b) Recognition

The Sub-Fund recognises a financial asset or a financial liability when, and only 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 marketplace (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.

NOTES TO THE FINANCIAL STATEMENTS

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(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 profit or loss and other 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 are 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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets

For financial assets measured at amortised cost, impairment allowances are recognised under the general approach where ECL 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 measuring ECLs on interest receivable and other receivables, 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.

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 debt instruments, equity instruments and derivatives, 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 to 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.

NOTES TO THE FINANCIAL STATEMENTS

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Fair value measurement (continued)

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 (bid price for long positions and ask price for short positions), 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

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.

Functional and presentation currency

The Sub-Fund's functional currency is USD, 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 USD. Therefore, the USD 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 USD.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency transactions (continued)

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

Redeemable units are redeemable at the holder's option and are classified as financial liabilities as they do not meet the conditions to be classified as equity. Redeemable units are measured at the redemption amount.

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.

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 finance cost recognised in the statement of profit or loss and other comprehensive income. A proposed distribution is recognised as a liability in the year in which it is approved by the Manager.

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.

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.

(c) Other Income

Other income is recognised when it is probable that the economic benefits will flow to the Sub-Fund and the other income can be reliably measured. Other income is recognised when the Sub-Fund's right to receive payment has been established.

NOTES TO THE FINANCIAL STATEMENTS

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net gains/losses on financial assets/liabilities at FVPL

Net gains/losses on financial assets and liabilities at FVPL are changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVPL and exclude interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the year and from reversal of the prior year'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 for debt instruments and first-in-first out method for derivatives. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts.

Amounts due from/to broker

Amounts due from broker include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Margin accounts represent cash deposits held with brokers as collateral against open futures contracts.

Amounts due to broker are payables for securities purchased (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. They are financial liabilities, other than those classified as at FVPL.

Taxes

In some jurisdiction, 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.

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.

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

PERFORMANCE TABLE (UNAUDITED)

Net assets attributable to unitholders

(calculated in accordance with International Financial Reporting Standards)

	Net asset value per unit	Net asset value
As at 30 June 2022 (Unaudited)		
- Class A HKD	HKD1.0000	HKD1,064,010,655
- Class A USD	USD1.0000	USD101,600,864
- Class I USD	USD1.0000	USD24,071,676

Highest issue price and lowest redemption price per unit¹

	Highest issue price per unit	Lowest redemption price per unit
For the period from 11 May 2022 (date of inception) to 30 June 2022 (Unaudited)		
- Class A HKD	HKD 1.0000	HKD 1.0000
- Class A USD	USD 1.0000	USD 1.0000
- Class I USD	USD 1.0000	USD 1.0000

¹ Past performance figures shown are not indicative of the future performance of the Sub-Fund.

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

For the period from 11 May 2022 (date of inception) to 30 June 2022

	As at 11 May 2022	Movement in holdings			As at 30 June 2022
		Addition	Bonus/ Dividends	Disposal	
<u>DEBT SECURITIES</u>					
BANK OF COMMUNICATIONS CO LTD/TOKYO 0% A 07DEC2022 FXCD	-	1,000,000	-	-	1,000,000
BANK OF EAST ASIA LTD 0.9% A 12DEC2022 FXCD	-	1,000,000	-	-	1,000,000
CHINA CONSTRUCTION BANK CORP/MACAU 0% A 10JUN2022	-	1,000,000	-	(1,000,000)	-
CHINA DEV BK HK 3.2% Q 05DEC2022 FXCD	-	1,000,000	-	-	1,000,000
CHINAAMC SPECIAL OPPORTUNITIES SEGREGATED PORTFOLIO	-	23,833,714	-	-	23,833,714
HAITONG INTL SECURITIES GROUP LTD 0.75% A 07JUN2022	-	1,000,000	-	-	1,000,000
MUFG BANK LTD/HONG KONG 2.08% A 29AUG2022 FXCD	-	1,000,000	-	-	1,000,000
SUMITOMO MITSUI BANKING CORP/HONG KONG 3.18% Q 30MAY2022 FXCD	-	1,000,000	-	(1,000,000)	-
Total investment portfolio	-	30,833,714	-	(2,000,000)	28,833,714

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2022

	Nominal Value	Fair Value USD	% of net asset
DEBT SECURITIES			
CHINA			
BANK OF COMMUNICATIONS CO LTD/TOKYO 0% A 07DEC2022 FXCD	1,000,000	126,499	0.05%
CHINA DEV BK HK 3.2% Q 05DEC2022 FXCD	1,000,000	128,825	0.05%
		<u>255,324</u>	<u>0.10%</u>
HONG KONG			
BANK OF EAST ASIA LTD 0.9% A 12DEC2022 FXCD	1,000,000	127,014	0.05%
CHINAAMC SPECIAL OPPORTUNITIES SEGREGATED PORTFOLIO	23,833,714	24,170,245	9.25%
		<u>24,297,259</u>	<u>9.30%</u>
JAPAN			
MUFG BANK LTD/HONG KONG 2.08% A 29AUG2022 FXCD	1,000,000	127,963	0.05%
		<u>127,963</u>	<u>0.05%</u>
Total investments portfolio (Cost: USD24,550,117.97)		<u>24,680,546</u>	<u>9.45%</u>
Other assets		236,584,843	90.55%
Total net assets		<u>261,265,389</u>	<u>100.00%</u>

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

DISTRIBUTION DISCLOSURE (UNAUDITED)

For the period from 11 May 2022 (date of inception) to 30 June 2022

USD

Profit and total comprehensive income for the period	-
Distribution paid on 13 May 2022 (Record date: 12 May 2022)	
HKD 0.0000595 per Unit for Class A-DIST-HKD	(83.61)
USD 0.000114286 per Unit for Class A-DIST-USD	(0.16)
USD 0.000168244 per Unit for Class I-DIST-USD	(23.55)
Distribution paid on 16 May 2022 (Record date: 13 May 2022)	
HKD 0.000045158 per Unit for Class A-DIST-HKD	(2,076.90)
USD 0.000042852 per Unit for Class A-DIST-USD	(0.06)
USD 0.000045215 per Unit for Class I-DIST-USD	(6.33)
Distribution paid on 17 May 2022 (Record date: 16 May 2022)	
HKD 0.000062282 per Unit for Class A-DIST-HKD	(2,703.13)
USD 0.000012261 per Unit for Class A-DIST-USD	(154.62)
USD 0.000015548 per Unit for Class I-DIST-USD	(64.37)
Distribution paid on 18 May 2022 (Record date: 17 May 2022)	
HKD 0.000030602 per Unit for Class A-DIST-HKD	(1,568.89)
USD 0.000103148 per Unit for Class A-DIST-USD	(1,380.49)
USD 0.000101056 per Unit for Class I-DIST-USD	(549.75)
Distribution paid on 19 May 2022 (Record date: 18 May 2022)	
HKD 0.000037109 per Unit for Class A-DIST-HKD	(2,014.58)
USD 0.000086705 per Unit for Class A-DIST-USD	(1,239.57)
USD 0.000087674 per Unit for Class I-DIST-USD	(547.14)

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

DISTRIBUTION DISCLOSURE (UNAUDITED) (continued)

For the period from 11 May 2022 (date of inception) to 30 June 2022

USD

Distribution paid on 20 May 2022 (Record date: 19 May 2022)

HKD 0.000037473 per Unit for Class A-DIST-HKD (2,193.64)

USD 0.000064772 per Unit for Class A-DIST-USD (927.52)

USD 0.000064656 per Unit for Class I-DIST-USD (403.53)

Distribution paid on 23 May 2022 (Record date: 20 May 2022)

HKD 0.000051447 per Unit for Class A-DIST-HKD (3,229.42)

USD 0.000078308 per Unit for Class A-DIST-USD (1,182.03)

USD 0.000090369 per Unit for Class I-DIST-USD (654.41)

Distribution paid on 24 May 2022 (Record date: 23 May 2022)

HKD 0.000067059 per Unit for Class A-DIST-HKD (4,627.18)

USD 0.000109522 per Unit for Class A-DIST-USD (1,869.41)

USD 0.000109016 per Unit for Class I-DIST-USD (789.52)

Distribution paid on 25 May 2022 (Record date: 24 May 2022)

HKD 0.000037006 per Unit for Class A-DIST-HKD (2,692.96)

USD 0.000013122 per Unit for Class A-DIST-USD (225.95)

USD 0.000006809 per Unit for Class I-DIST-USD (56.13)

Distribution paid on 26 May 2022 (Record date: 25 May 2022)

HKD 0.000020681 per Unit for Class A-DIST-HKD (1,531.20)

USD 0.000201678 per Unit for Class A-DIST-USD (3,329.83)

USD 0.000201659 per Unit for Class I-DIST-USD (1,662.29)

Distribution paid on 27 May 2022 (Record date: 26 May 2022)

HKD 0.000053771 per Unit for Class A-DIST-HKD (4,116.68)

USD 0.000003193 per Unit for Class A-DIST-USD (54.25)

USD 0.000005368 per Unit for Class I-DIST-USD (46.94)

Distribution paid on 30 May 2022 (Record date: 27 May 2022)

HKD 0.000069305 per Unit for Class A-DIST-HKD (5,386.38)

USD 0.000106258 per Unit for Class A-DIST-USD (1,806.06)

USD 0.000106304 per Unit for Class I-DIST-USD (929.60)

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

DISTRIBUTION DISCLOSURE (UNAUDITED) (continued)

For the period from 11 May 2022 (date of inception) to 30 June 2022

USD

Distribution paid on 31 May 2022 (Record date: 30 May 2022)

HKD 0.000050283 per Unit for Class A-DIST-HKD (4,047.39)

USD 0.000094492 per Unit for Class A-DIST-USD (1,637.40)

USD 0.000116251 per Unit for Class I-DIST-USD (1,016.70)

Distribution paid on 1 June 2022 (Record date: 31 May 2022)

HKD 0.000027934 per Unit for Class A-DIST-HKD (2,381.67)

USD 0.000116724 per Unit for Class A-DIST-USD (2,073.20)

USD 0.000116308 per Unit for Class I-DIST-USD (1,110.36)

Distribution paid on 2 June 2022 (Record date: 1 June 2022)

HKD 0.000031828 per Unit for Class A-DIST-HKD (2,859.56)

USD 0.000060463 per Unit for Class A-DIST-USD (1,151.89)

USD 0.000053714 per Unit for Class I-DIST-USD (512.85)

Distribution paid on 6 June 2022 (Record date: 2 June 2022)

HKD 0.000079073 per Unit for Class A-DIST-HKD (7,323.51)

USD 0.000101884 per Unit for Class A-DIST-USD (2,046.96)

USD 0.000104355 per Unit for Class I-DIST-USD (1,079.90)

Distribution paid on 7 June 2022 (Record date: 6 June 2022)

HKD 0.000099721 per Unit for Class A-DIST-HKD (9,506.80)

USD 0.000070525 per Unit for Class A-DIST-USD (1,439.32)

USD 0.000069954 per Unit for Class I-DIST-USD (723.98)

Distribution paid on 8 June 2022 (Record date: 7 June 2022)

HKD 0.000032408 per Unit for Class A-DIST-HKD (3,141.52)

USD 0.000001439 per Unit for Class A-DIST-USD (31.03)

USD 0.000004296 per Unit for Class I-DIST-USD (44.46)

Distribution paid on 9 June 2022 (Record date: 8 June 2022)

HKD 0.000024550 per Unit for Class A-DIST-HKD (2,415.64)

USD 0.000116617 per Unit for Class A-DIST-USD (2,610.25)

USD 0.000118027 per Unit for Class I-DIST-USD (1,363.23)

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

DISTRIBUTION DISCLOSURE (UNAUDITED) (continued)

For the period from 11 May 2022 (date of inception) to 30 June 2022

USD

Distribution paid on 10 June 2022 (Record date: 9 June 2022)

HKD 0.000026266 per Unit for Class A-DIST-HKD (2,618.20)

USD 0.000092659 per Unit for Class A-DIST-USD (2,199.59)

USD 0.000093413 per Unit for Class I-DIST-USD (1,079.07)

Distribution paid on 13 June 2022 (Record date: 10 June 2022)

HKD 0.000046293 per Unit for Class A-DIST-HKD (4,905.70)

USD 0.000093482 per Unit for Class A-DIST-USD (2,246.82)

USD 0.000102538 per Unit for Class I-DIST-USD (1,246.11)

Distribution paid on 14 June 2022 (Record date: 13 June 2022)

HKD 0.000083282 per Unit for Class A-DIST-HKD (9,202.05)

USD 0.000014932 per Unit for Class A-DIST-USD (362.70)

USD 0.000017200 per Unit for Class I-DIST-USD (209.05)

Distribution paid on 15 June 2022 (Record date: 14 June 2022)

HKD 0.000025848 per Unit for Class A-DIST-HKD (2,884.14)

USD 0.000079462 per Unit for Class A-DIST-USD (1,984.52)

USD 0.000081692 per Unit for Class I-DIST-USD (1,074.58)

Distribution paid on 16 June 2022 (Record date: 15 June 2022)

HKD 0.000029991 per Unit for Class A-DIST-HKD (3,435.45)

USD 0.000046314 per Unit for Class A-DIST-USD (1,218.32)

USD 0.000049102 per Unit for Class I-DIST-USD (645.94)

Distribution paid on 17 June 2022 (Record date: 16 June 2022)

HKD 0.000028550 per Unit for Class A-DIST-HKD (3,261.62)

USD 0.000038923 per Unit for Class A-DIST-USD (1,029.65)

USD 0.000040873 per Unit for Class I-DIST-USD (537.72)

Distribution paid on 20 June 2022 (Record date: 17 June 2022)

HKD 0.000046809 per Unit for Class A-DIST-HKD (5,332.17)

USD 0.000091316 per Unit for Class A-DIST-USD (2,403.22)

USD 0.000100696 per Unit for Class I-DIST-USD (1,324.79)

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

DISTRIBUTION DISCLOSURE (UNAUDITED) (continued)

For the period from 11 May 2022 (date of inception) to 30 June 2022

USD

Distribution paid on 21 June 2022 (Record date: 20 June 2022)

HKD 0.000064725 per Unit for Class A-DIST-HKD (7,545.29)

USD 0.000163965 per Unit for Class A-DIST-USD (5,913.13)

USD 0.000141835 per Unit for Class I-DIST-USD (1,979.69)

Distribution paid on 22 June 2022 (Record date: 21 June 2022)

HKD 0.000027510 per Unit for Class A-DIST-HKD (3,271.82)

USD 0.000078904 per Unit for Class A-DIST-USD (2,904.39)

USD 0.000078288 per Unit for Class I-DIST-USD (1,171.16)

Distribution paid on 23 June 2022 (Record date: 22 June 2022)

HKD 0.000021574 per Unit for Class A-DIST-HKD (2,553.82)

USD 0.0001194879 per Unit for Class A-DIST-USD (4,497.14)

USD 0.000121473 per Unit for Class I-DIST-USD (1,817.34)

Distribution paid on 24 June 2022 (Record date: 23 June 2022)

HKD 0.000031927 per Unit for Class A-DIST-HKD (4,134.09)

USD 0.000042000 per Unit for Class A-DIST-USD (1,612.70)

USD 0.000050893 per Unit for Class I-DIST-USD (761.49)

Distribution paid on 27 June 2022 (Record date: 24 June 2022)

HKD 0.000060056 per Unit for Class A-DIST-HKD (7,737.55)

USD 0.000106441 per Unit for Class A-DIST-USD (4,141.30)

USD 0.000113497 per Unit for Class I-DIST-USD (1,868.55)

Distribution paid on 28 June 2022 (Record date: 27 June 2022)

HKD 0.000063046 per Unit for Class A-DIST-HKD (8,321.91)

USD 0.000153533 per Unit for Class A-DIST-USD (9,462.69)

USD 0.000142144 per Unit for Class I-DIST-USD (2,340.44)

Distribution paid on 29 June 2022 (Record date: 28 June 2022)

HKD 0.000011588 per Unit for Class A-DIST-HKD (1,610.42)

USD 0.000195265 per Unit for Class A-DIST-USD (20,309.06)

USD 0.000190665 per Unit for Class I-DIST-USD (3,635.53)

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

DISTRIBUTION DISCLOSURE (UNAUDITED) (continued)

For the period from 11 May 2022 (date of inception) to 30 June 2022

USD

Distribution paid on 30 June 2022 (Record date: 29 June 2022)

HKD 0.000036954 per Unit for Class A-DIST-HKD (5,087.28)

USD 0.000014683 per Unit for Class A-DIST-USD (1,483.44)

USD 0.000017709 per Unit for Class I-DIST-USD (426.28)

CHINAAMC SELECT STABLE INCOME FUND
(a sub-fund of ChinaAMC Select Fund)

RECONCILIATION OF NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

As at 30 June 2022

USD

Net assets attributable to unitholders (calculated in accordance with Explanatory Memorandum)	262,767,343
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Adjustment for unsettled capital transactions	<u>(1,501,954)</u>
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Net assets attributable to unitholders (calculated in accordance with International Financial Reporting Standards)	<u>261,265,389</u>
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Net assets attributable to unitholders (per unit) (calculated in accordance with Explanatory Memorandum)	
- Class A HKD	HKD 1.0000
- Class A USD	USD 1.0000
- Class I USD	USD 1.0000

Net assets attributable to unitholders (per unit) (calculated in accordance with International Financial Reporting Standards)	
- Class A HKD	HKD 1.0000
- Class A USD	USD 1.0000
- Class I USD	USD 1.0000

