

TradePlus

S&P New China Tracker

Interim Report
30 June 2019

Out **think.** Out **perform.**



AFFIN HWANG
CAPITAL

MANAGER
Affin Hwang Asset Management Berhad (429786-T)

TRUSTEE
TMF Trustees Malaysia Berhad (610812-W)

TRADEPLUS S&P NEW CHINA TRACKER

Interim Report and Unaudited Financial Statements For the Financial Period From 15 January 2019 (Date of Launch) To 30 June 2019

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GENERAL INFORMATION

MANAGER

Affin Hwang Asset Management Berhad (429786-T)

Registered Office:

27th Floor, Menara Boustead,

69 Jalan Raja Chulan

50200 Kuala Lumpur

Tel. No.: 03 – 2142 3700

Fax No.: 03 – 2142 3799

Business Office:

Ground Floor, Menara Boustead,

69 Jalan Raja Chulan

50200 Kuala Lumpur

Tel. No.: 03 – 2116 6000

Fax No.: 03 – 2116 6100

Toll Free No.: 1-800-88-7080

E-mail: customercare@affinhwangam.com

Website: www.affinhwangam.com

MANAGER'S DELEGATE

(fund valuation & accounting function)

TMF Trustees Malaysia Berhad (610812-W)

Registered & Business Address:

10th Floor, Menara Hap Seng

No. 1 & 3, Jalan P. Ramlee,

50250 Kuala Lumpur

Tel. No.: 03 – 2382 4288

Fax No.: 03 – 2026 1451

TRUSTEE

TMF Trustees Malaysia Berhad (610812-W)

Registered & Business Address:

10th Floor, Menara Hap Seng

No. 1 & 3, Jalan P. Ramlee,

50250 Kuala Lumpur

Tel. No.: 03 – 2382 4288

Fax No.: 03 – 2026 1451

E-mail: fundserviceskl@tmf-group.com

Website: www.tmf-group.com

TRUSTEE'S DELEGATE

(Custodian)

Registered & Business Address:

Standard Chartered Bank Malaysia Berhad

Level 16, Menara Standard Chartered

30 Jalan Sultan Ismail

50250 Kuala Lumpur

Tel. No: (603) 2117 7777

Website: www.sc.com/my

COMPANY SECRETARY

Azizah Shukor (LS0008845)

27th Floor Menara Boustead,

69 Jalan Raja Chulan

50200 Kuala Lumpur

REGISTRAR

Affin Hwang Asset Management Berhad (429786-T)

27th Floor, Menara Boustead,

69 Jalan Raja Chulan

50200 Kuala Lumpur

Tel. No.: 03 – 2142 3700

Fax No.: 03 – 2142 3799

FUND INFORMATION

Fund Name	TradePlus S&P New China Tracker
Fund Type	Index tracking fund
Fund Category	Equity exchange-traded fund
Investment Objective	The Fund aims to provide investment results that closely correspond to the performance of the Benchmark
Benchmark	S&P New China Sectors Ex A-Shares Index
Distribution Policy	Subject to the availability of income, the Fund will distribute income on an annual basis after the end of its first financial year

BREAKDOWN OF UNITHOLDERS BY MYR CLASS (0829EA) SIZE AS AT 30 JUNE 2019

Size of holdings (units)	No. of unitholders	No. of units held	% of units held
1 - 99	0	0	-
100 - 1,000	26	13,600	0.83
1,001 - 10,000	20	77,100	4.69
10,001 - 100,000	5	255,600	15.54
100,001 - < 5% *	4	1,298,700	78.95
>= 5% *	0	0	-
Total	55	1,645,000	100.00

5% * - 5% Issued Shares or Paidup Capital of the stock

BREAKDOWN OF UNITHOLDERS BY USD CLASS (0829EB) SIZE AS AT 30 JUNE 2019

Size of holdings (units)	No. of unitholders	No. of units held	% of units held
1 - 99	0	0	-
100 - 1,000	0	0	-
1,001 - 10,000	1	10,000	1.53
10,001 - 100,000	0	0	-
100,001 - < 5% *	3	645,000	98.47
>= 5% *	0	0	-
Total	4	655,000	100.00

5% * - 5% Issued Shares or Paidup Capital of the stock

FUND PERFORMANCE DATA

Category	As at 30 Jun 2019
Portfolio composition (%)	
Quoted equities – foreign	
- Health Care	3.81
- Consumer Goods	10.47
- Consumer Services	26.37
- Financials	24.50
- Industrials	4.24
- Technology	19.05
- Telecommunications	8.69
- Utilities	0.92
Total quoted equities – foreign (%)	98.05
Cash & cash equivalent (%)	1.95
Total (%)	100.00
Country Allocation (%)	
China	0.53
Hong Kong	71.34
United States	26.18
Cash	1.95
Total (%)	100.00
Total NAV (HKD 'million)	24.676
NAV per Unit (in HKD)	10.7288
Unit in Circulation (million)	2.300
Highest NAV per unit	11.6444
Lowest NAV per unit	9.8777
Return of the Fund (%) ⁱⁱⁱ	7.29
- Capital Growth (%) ⁱ	7.29
- Income Distribution (%) ⁱⁱ	Nil
Gross Distribution per Unit (sen)	Nil
Net Distribution per Unit (sen)	Nil
Management Expense Ratio (%)	0.66
Portfolio Turnover Ratio (times)	0.76
Tracking Error	1.17

Basis of calculation and assumption made in calculating the returns:-

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:-

Capital return	= NAV per Unit end / NAV per Unit begin – 1
Income return	= Income distribution per Unit / NAV per Unit ex-date
Total return	= (1+Capital return) x (1+Income return) – 1

Capital Returnⁱ = {NAV per Unit @ 30/6/19 ÷ NAV per Unit @ 23/1/19* – 1} x 100
= {10.7288 ÷ 10.0000 – 1} x 100
= **7.29%**

Total Income Returnⁱⁱ = {Income Return @ex-date x Income Return @ex-date}-1x100
= **Nil**

Return of the Fundⁱⁱⁱ = $\{(1 + \text{Capital Return}) \times (1 + \text{Income Return})\} - 1 \times 100$
= $\{(1 + 7.29\%) \times (1 + 0.00\%)\} - 1 \times 100$
= **7.29%**

* Source – TMF Trustees Malaysia Berhad

Table 1: Performance of the Fund

	Since Commencement (24/1/19 - 30/6/19)
Fund	7.29%
Benchmark	8.29%
Outperformance / (Underperformance)	(1.00%)

Past performance is not necessarily indicative of future performance and that Unit prices and investment returns may go down, as well as up.

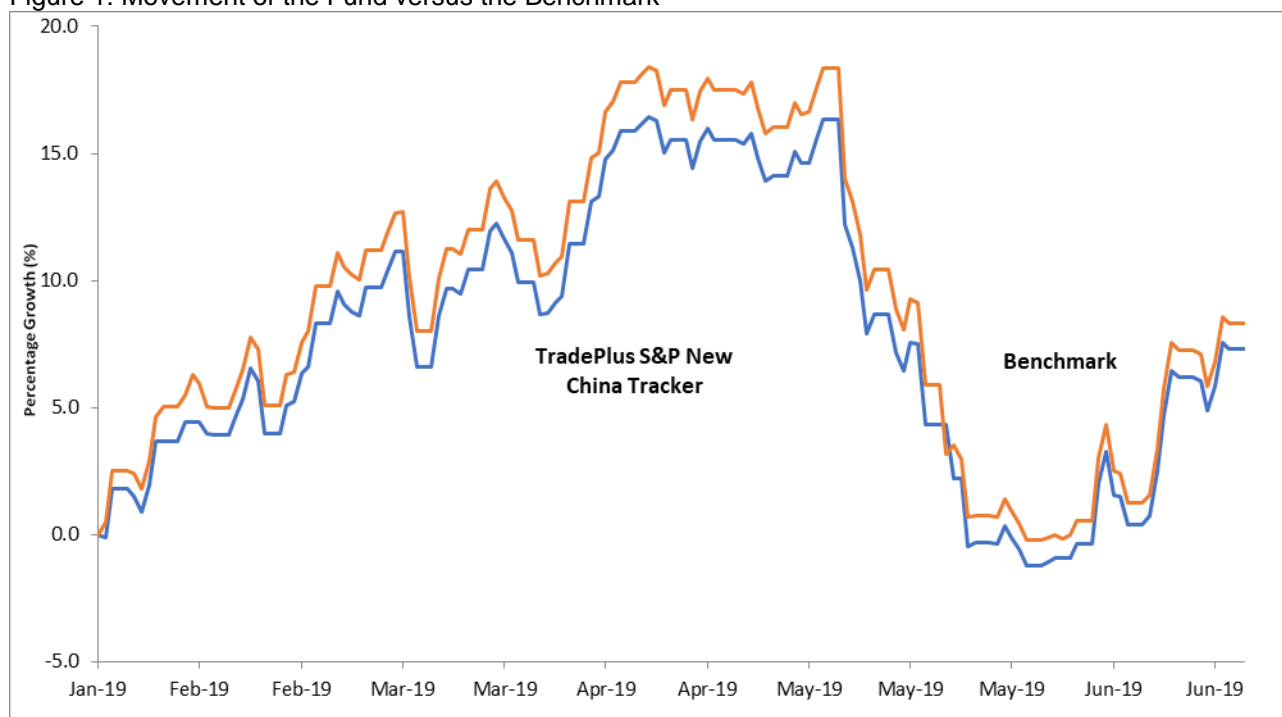
MANAGER'S REPORT

Performance Review

For the period under review from 24 January 2019 to 30 June 2019, the Fund registered a 7.29% return compared to the benchmark which yielded a return of 8.29%. The Fund thus underperformed the Benchmark by 1.00%. The Net Asset Value ("NAV") per unit of the Fund as at 30 June 2019 was HKD 10.7288 compared to its NAV per unit as at 23 January 2019 was HKD 10.000.

During the period under review, the Fund has met its objective by providing investors with investment results that closely track the performance of the benchmark.

Figure 1: Movement of the Fund versus the Benchmark



"This information is prepared by Affin Hwang Asset Management Berhad (AFFINHWANGAM) for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up."
Benchmark: S&P New China Sectors Ex A-Shares Index

Income Distribution / Unit Split

No income distribution or unit split were declared for the financial period ended 30 June 2019.

Asset Allocation

For a snapshot of the Fund's asset mix during the period under review, please refer to Figure 2.

Figure 2: Asset Allocation of the Fund

	<u>30 Jun 2019</u>
	(%)
Equities	98.05
Cash and Cash Equivalent	1.95
Total	<u>100.00</u>

As at 30 June 2019, the ETF's asset allocation stood at 98.05% in equities while the remaining was held in cash and cash equivalent.

Strategies Employed

The Manager continues to adopt the full replication strategy. The Manager remained highly invested into the Index securities in the same approximate weightings or proportions as they appear in the Benchmark to provide investment results that closely correspond to the performance of the Benchmark. As at 30 June 2019, the Fund's AUM stood at HKD24.676 million, with 98.05% of the Fund's NAV invested into equities.

Market Review

Markets staged a fast and furious early-year rally that fuelled gains in Asian equity benchmark gauges coming into early 2019. Rate cut expectations by the Fed also helped buoy sentiment that there will be further room for markets to run before the bull cycle ends.

Though, gains were capped as Asian markets continue to be weighed down by US-China trade tensions that were ratcheted up back again, since negotiations crumbled in early May and yielded little results. Internet stocks including Alibaba and Tencent suffered steep losses as the trade war gradually turns into a tech war following the move by the US to issue a ban on Huawei's ability to buy US components and restrict its ability to do business stateside.

It will be important to gauge the response from China and how it intends to react in this re-escalation of trade tension which shows no signs of abating yet. Beijing is seen adopting a more nationalist stance and warning of a "long march" where it intends to play the long-game with the US and call its bluff.

Though, markets got a temporary reprieve following the outcome of the G20 summit and a full-blown trade war was averted between the US and China. This came after US President Donald Trump and China President Xi Jinping emerged from a meeting on the sidelines of the G20 summit in Osaka, where both sides agreed to a halt from imposing any new tariffs on products as well as pledged to continue negotiations.

Easing measures announced by China has propped up the market, though closer monitoring would be needed to see if such stimulus has started to trickle-down to growth and GDP possibly sometime into the 2Q'19 due to lag effects. This could bolster fund flows back into EMs as positioning has been light with global funds underweight EMs and lots of cash on the side-lines.

The US dollar weakness accelerated after the Fed's monetary policy meeting in June as the central bank signalled a more dovish stance. The US dollar crossed below the 200-day moving average last week following the FOMC meeting. A weaker US dollar and a lower interest rate environment could help buoy risk assets within emerging markets (EMs) and support outperformance. Fed fund futures are pricing-in a 25bps rate cut in 2019 which is reinforced by softer manufacturing PMI numbers.

Investment Outlook

The global economy is poised to continue to grow at an even keel albeit at a slower pace. We do not see major economic imbalances that would lead to a recession in the immediate term. That said, as markets

head into a late cycle, we are mindful that uncertainty will stay high from as geopolitical rifts and fractures appear.

While a temporary trade truce has been reached, the threat of tariffs still lingers. The root source of the conflict has still been left unresolved especially with regards to matters of sovereignty as well as differences in ideologies. Though, the upcoming US Presidential Elections in 2020 may compel Trump to soften his aggressive trade stance in order to have a buoyant market and strong economy when campaigning begins.

Markets will look ahead to the upcoming US Federal Reserve policy meeting on the 30-31 July, where the Fed is widely expected to cut rates. This could buoy sentiment amongst investors that there will be more room for markets to run before the cycles ends. Though, the rally may prove to be unsustainable given weaker economic data if fundamentals continue to deteriorate.

State of Affairs of the Fund

There is neither any significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

Soft Commissions received from Brokers

During the financial period under review, the management company had received on behalf of the Fund, soft commissions in the form of research materials, data and quotation services, investment-related publications, market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

TRUSTEE'S REPORT TO THE UNITHOLDERS OF TRADEPLUS S&P NEW CHINA TRACKER

We have acted as Trustee of Tradeplus S&P New China Tracker for the financial period ended 30 June 2019. To the best of our knowledge, **Affin Hwang Asset Management Berhad**, the Manager, has operated and managed the Fund in accordance with the limitations imposed on the investment powers of the management company and the trustee under the Deeds, other provisions of the Deeds, the Capital Markets and Services Act 2007, the Securities Commission's Guidelines on Unit Trust Funds, the Capital markets and Services Act 2007 and other applicable laws during the financial period then ended.

We have also ensured the following:

- (a) the procedures and processes employed by **Affin Hwang Asset Management Berhad** to value and/or price the units of the Fund are adequate and that such valuation/pricing is carried out in accordance with the Deeds of the Fund and other regulatory requirements; and
- (b) the creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements.

For TMF Trustees Malaysia Berhad
(Company No.: 610812-W)

NORHAYATI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
15 August 2019

**INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019
(DATE OF LAUNCH) TO 30 JUNE 2019**

	<u>Note</u>	Financial period from 15.1.2019 (date of launch) to <u>30.6.2019</u> HKD
INVESTMENT INCOME		
Dividend income		197,615
Net gain on foreign currency exchange		49
Net gain on financial asset at fair value through profit or loss	8	977,566
		<u>1,175,230</u>
EXPENSES		
Management fee	4	(44,354)
Trustee fee	5	(3,548)
Auditors' remuneration		(19,338)
Tax agent's fee		(3,223)
Transaction cost		(32,140)
Licence fee	6	(18,054)
Other expenses		(38,444)
		<u>(159,101)</u>
NET PROFIT BEFORE TAXATION		1,016,129
TAXATION	7	(9,514)
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u><u>1,006,615</u></u>
Net profit after taxation is made up of the following:		
Realised amount		74,030
Unrealised amount		932,585
		<u><u>1,006,615</u></u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

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

	<u>Note</u>	<u>2019</u> HKD
ASSETS		
Cash and cash equivalents		382,250
Financial asset at fair value through profit or loss	8	24,194,226
Dividend receivables		73,769
Prepayment of license fee		60,428
TOTAL ASSETS		<u>24,710,673</u>
LIABILITIES		
Amount due to Manager - management fee		9,190
Amount due to Trustee		735
Auditors' remuneration		19,338
Tax agent's fee		3,223
Other payables and accruals		1,842
TOTAL LIABILITIES		<u>34,328</u>
NET ASSET VALUE OF THE FUND		<u>24,676,345</u>
EQUITY		
Unitholders' capital		23,669,730
Retained earnings		1,006,615
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>24,676,345</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>2,300,000</u>
NET ASSET VALUE PER UNIT (HKD)		<u>10.7288</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019
(DATE OF LAUNCH) TO 30 JUNE 2019**

	Unitholders' <u>capital</u> HKD	Retained <u>earnings</u> HKD	<u>Total</u> HKD
Balance as at 15 January 2019 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	1,006,615	1,006,615
Movement in unitholders' capital:			
Creation of units arising from applications	24,730,060	-	24,730,060
Cancellation of units	(1,060,330)	-	(1,060,330)
Balance as at 30 June 2019	<u>23,669,730</u>	<u>1,006,615</u>	<u>24,676,345</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**INTERIM STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019
(DATE OF LAUNCH) TO 30 JUNE 2019**

Financial
period from
15.1.2019
(date of
launch) to
30.6.2019
HKD

CASH FLOWS FROM OPERATING ACTIVITIES

Proceeds from sale of investments	2,999,434
Purchase of investments	(26,207,580)
Dividends received	114,332
Management fee paid	(35,164)
Trustee fee paid	(2,813)
License fee paid	(78,482)
Net realised loss on foreign currency exchange	(5,846)
Payment for other fees and expenses	(68,742)
	<hr/>
Net cash used in operating activities	(23,284,861)
	<hr/>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from creation of units	24,730,060
Payments for cancellation of units	(1,060,330)
	<hr/>
Net cash generated from financing activities	23,669,730
	<hr/>

**NET INCREASE IN CASH
AND CASH EQUIVALENTS**

384,869

EFFECTS OF FOREIGN CURRENCY EXCHANGE

(2,619)

**CASH AND CASH EQUIVALENTS AT THE
DATE OF LAUNCH**

-

**CASH AND CASH EQUIVALENTS AT THE
END OF THE FINANCIAL PERIOD**

382,250

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019 (DATE OF LAUNCH) TO 30 JUNE 2019

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, except as disclosed in the summary of significant accounting policies and comply with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial period. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note K.

- (a) New standards, amendments and interpretations effective after 1 January 2019 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual financial periods beginning after 1 January 2019 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B INCOME RECOGNITION

Dividend income

Dividend income is recognised on the ex-dividend date, when the right to receive the dividend has been established.

Realised gains and losses on sale of investments

For quoted investments, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

C TRANSACTION COSTS

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019 (DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)

D TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial year.

Tax on investment income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

E FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Hong Kong Dollar ("HKD"), which is the Fund's functional and presentation currency.

F FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019 (DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

The Fund classifies cash and cash equivalents, dividend receivables and prepayment of license fee as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to Manager, amount due to Trustee, auditors' remuneration, tax agent's fee and other payables and accruals as financial liabilities measured at amortised cost.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of foreign transactions are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit or loss' in the period which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019 (DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

I UNITHOLDERS' CAPITAL

The unitholders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's net assets value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019 (DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)

I UNITHOLDERS' CAPITAL (CONTINUED)

The outstanding units are carried at the redemption amount that is payable at each financial year if unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

J SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic asset allocation committee of the Manager that makes strategic decisions.

K CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Exchange-Traded Funds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019 (DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)

1 INFORMATION ON THE FUND

The Exchange-Traded Fund was constituted under the name TradePlus S&P New China Tracker (the “Fund”) pursuant to the execution of a Deed dated 26 October 2018 entered into between Affin Hwang Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 24 January 2019 and will continue its operations until terminated by the Trustee as provided under Section 26.1 of the Deed.

The Fund may invest in the following permitted investments:

- (i) Authorised Securities;
- (ii) Derivatives;
- (iii) Units or shares in collective investment schemes;
- (iv) Money market instruments;
- (v) Deposits; and
- (vi) Any other investments permitted by the SC from time to time

All investments will be subjected to the SC’s Guidelines on Exchange-Traded Funds, the Deed and the objective of the Fund.

The objective of the Fund is to provide investment results that closely correspond to the performance of the Benchmark.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds and private retirement schemes as well as providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 15 August 2019.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019
(DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)**

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost HKD	Financial asset at fair value through profit or loss HKD	Total HKD
<u>2019</u>				
Cash and cash equivalents		382,250	-	382,250
Quoted equities	8	-	24,194,226	24,194,226
Dividend receivables		73,769	-	73,769
Prepayment of license fee		60,428	-	60,428
Total		<u>516,447</u>	<u>24,194,226</u>	<u>24,710,673</u>

All current liabilities are financial liabilities which are carried at amortised cost.

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Exchange-Traded Funds.

Market risk

(a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The Fund's overall exposure to price risk was as follows:

	<u>2019</u> HKD
Quoted investments	
Quoted equities	<u>24,194,226</u>

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value ("NAV") to price risk movements. The analysis is based on the assumptions that the market price increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

**NOTES TO THE FINANCIAL STATEMENTS
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(DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)**

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(a) Price risk (continued)

The Fund's overall exposure to price risk was as follows:

<u>% Change in price</u>	<u>Market value</u> HKD	Impact on profit after <u>tax/NAV</u> HKD
<u>2019</u>		
-5%	22,984,515	(1,209,711)
0%	24,194,226	-
+5%	25,403,937	1,209,711
	<u><u> </u></u>	<u><u> </u></u>

(b) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against Hong Kong Dollar, the investments will face currency losses in addition to the capital gain/loss. The Manager will evaluate the likely directions of a foreign currency versus Hong Kong Dollar based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:

	<u>Quoted</u> <u>equities</u> HKD	Cash and cash <u>equivalents</u> HKD	<u>Other</u> <u>assets*</u> HKD	<u>Total</u> HKD
<u>2019</u>				
Chinese Yuan	-	-	5,619	5,619
United States Dollar	6,460,367	326,329	-	6,786,696
	<u><u>6,460,367</u></u>	<u><u>326,329</u></u>	<u><u>5,619</u></u>	<u><u>6,792,315</u></u>

* Other assets consist of dividend receivables.

**NOTES TO THE FINANCIAL STATEMENTS
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(DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)**

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market risk (continued)

(b) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding increase/(decrease) in the net assets attributable to unitholders by approximately 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on loss after tax/NAV HKD
<u>2019</u>		
Chinese Yuan	+/- 5	+/- 281
United States Dollar	+/- 5	<u>+/- 339,335</u>

Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of investments. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

The settlement terms of amount due from brokers are governed by the relevant rules and regulations as prescribed by the respective stock exchanges.

The settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC's Guidelines on Exchange-Traded Funds.

The following table sets out the credit risk concentrations of the Fund:

	Cash and cash equivalents HKD	Other assets* HKD	Total HKD
<u>2019</u>			
Consumer Goods			
- NR	-	26,680	26,680
Consumer Services			
- NR	-	6,269	6,269
Financials			
- AAA	382,250	-	382,250
- NR	-	33,027	33,027

**NOTES TO THE FINANCIAL STATEMENTS
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(DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)**

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Credit risk (continued)

The following table sets out the credit risk concentrations of the Fund (continued):

	<u>Cash and cash equivalents</u> HKD	<u>Other assets*</u> HKD	<u>Total</u> HKD
<u>2019</u> (continued)			
Health Care			
- NR	-	960	960
Telecommunications			
- NR	-	5,400	5,400
Utilities			
- NR	-	1,433	1,433
Others			
- NR	-	60,428	60,428
Total	<u>382,250</u>	<u>134,197</u>	<u>516,447</u>

* Other assets consist of dividend receivables and prepayment of license fee.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellation of units by unitholders. Liquid assets comprise cash, deposits with a licensed financial institution and other instruments, which are capable of being converted into cash within 7 days.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts in the table below are the contractual undiscounted cash flows.

	<u>Within one month</u> HKD	<u>Between one month to one year</u> HKD	<u>Total</u> HKD
<u>2019</u>			
Amount due to Manager			
- management fee	9,190	-	9,190
Amount due to Trustee	735	-	735
Auditor's remuneration	-	19,338	19,338
Tax agent's fee	-	3,223	3,223
Other payables and accruals	-	1,842	1,842
	<u>9,925</u>	<u>24,403</u>	<u>34,328</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019 (DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. 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 of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the period end date. The Fund utilises the current bid price for financial assets which falls within the bid-ask spread.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019
(DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)**

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	<u>Level 1</u> HKD	<u>Level 2</u> HKD	<u>Level 3</u> HKD	<u>Total</u> HKD
<u>2019</u>				
Financial asset at fair value through profit or loss				
- quoted equities	24,194,226	-	-	24,194,226

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. The Fund does not adjust the quoted prices for these instruments.

(ii) The carrying values of cash and cash equivalents, dividend receivables, prepayment of license fee and all current liabilities are a reasonable approximation of the fair values due to their short term nature.

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate up to 3.00% per annum of the NAV of the Fund calculated on a daily basis.

For the financial period from 15 January 2019 (date of launch) to 30 June 2019, management fee is recognised at a rate of 0.50% per annum on the NAV of the Fund, calculated on a daily basis.

There will be no further liability to the Manager in respect of management fee other than the amounts recognised above.

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee, at a rate up to 0.10% per annum of the NAV of the Fund calculated on a daily basis (excluding foreign sub-custodian fees and charges).

For the financial period from 15 January 2019 (date of launch) to 30 June 2019, the Trustee fee is recognised at a rate of 0.04 % per annum on the NAV of the Fund calculated on a daily basis.

There will be no further liability to the Trustee in respect of Trustee fee other than the amount recognised above.

**NOTES TO THE FINANCIAL STATEMENTS
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6 LICENCE FEE

License fee is payable to S&P Dow Jones Indices, the Benchmark Index provider.

For the financial period from 15 January 2019 (date of launch) to 30 June 2018, the license fee is recognised at minimum of USD10,000 per annum or 0.05% of the average daily asset under management, whichever is higher.

7 TAXATION

	Financial period from 15.1.2019 (date of launch) to <u>30.6.2019</u> HKD
Current taxation – foreign	<u>9,514</u>

The numerical reconciliation between net profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	Financial period from 15.1.2019 (date of launch) to <u>30.6.2019</u> HKD
Net profit before taxation	<u>1,016,129</u>
Tax at Malaysian statutory rate of 24%	243,871
Tax effects of:	
Investment income not subject to tax	(282,055)
Expenses not deductible for tax purposes	36,611
Restriction on tax deductible expenses for Exchange-Traded Funds	1,573
Investment income subject to different tax rate	9,514
Tax expense	<u>9,514</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019
(DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)**

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 HKD
Financial assets at fair value through profit or loss:	
- quoted equities – foreign	24,194,226
Net gain on financial assets at fair value through profit or loss:	
- realised gain on sale of investments	42,362
- unrealised gain on changes in fair value	935,204
	977,566

(a) Quoted equities – foreign

(i) Quoted equities – foreign as at 30 June 2019 is as follows:

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost HKD</u>	<u>Fair value HKD</u>	<u>Percentage of NAV %</u>
<u>China</u>				
<u>Health Care</u>				
Sinopharm Group Co Ltd	4,800	160,560	132,000	0.53
<u>Hong Kong</u>				
<u>Consumer Goods</u>				
ANTA Sports Products Ltd	3,000	121,750	160,800	0.65
Brilliance China Auto Hdgs Ltd	12,000	93,220	103,680	0.42
BYD Co Ltd	2,500	119,200	117,750	0.48
China Mengniu Dairy Co Ltd	10,000	253,800	302,500	1.23
Geely Automobile Holdings Ltd	22,000	296,040	293,920	1.19
Great Wall Motor Co Ltd	12,500	70,020	69,750	0.28
Guangzhou Automobile Gp Co Ltd	10,000	86,500	83,200	0.34
Haier Electronics Group Co Ltd	5,000	110,250	107,750	0.44
Hengan Intl. Grp Co Ltd	3,000	179,950	172,350	0.70
Li Ning Company Limited	6,500	98,870	119,730	0.48
Shenzhou Intl Group Holdings	2,800	266,943	299,880	1.21
Tingyi (Cayman Islds) Hldg Co	6,000	80,400	78,240	0.32
Vitasoy International Holdings	4,000	146,000	150,000	0.61
Want Want China Holdings Ltd	25,000	156,683	158,750	0.64
WH Group Ltd	38,000	270,313	300,960	1.22
Xinyi Glass Holdings Co Ltd	8,000	73,400	65,520	0.26
	170,300	2,423,339	2,584,780	10.47

**NOTES TO THE FINANCIAL STATEMENTS
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(DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)**

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 30 June 2019 is as follows (continued):

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost HKD</u>	<u>Fair value HKD</u>	<u>Percentage of NAV %</u>
<u>Hong Kong (continued)</u>				
<u>Consumer Services</u>				
Air China Ltd	6,000	46,360	47,220	0.19
Alibaba Pictures Group Ltd	50,000	86,500	83,500	0.34
China Eastern Airlines Corp Lt	6,000	28,040	27,660	0.11
China Southern Airlines Co Ltd	8,000	44,740	43,440	0.18
Galaxy Entertainment Group Ltd	10,000	520,450	526,000	2.13
Haidilao International Holding	3,000	89,750	97,800	0.40
Meituan Dianping	14,900	952,655	1,018,415	4.13
MTR Corp Ltd	6,000	264,900	315,300	1.28
Sands China Ltd	9,600	357,024	358,080	1.45
Wynn Macau Limited	5,600	103,264	97,888	0.40
	<u>119,100</u>	<u>2,493,683</u>	<u>2,615,303</u>	<u>10.61</u>
<u>Financials</u>				
AIA Group Ltd	32,400	2,364,307	2,728,080	11.05
China Life Insurance Co. Ltd	30,000	583,558	576,600	2.34
China Pacific Insurance Group	10,400	291,604	317,720	1.29
China Taiping Insurance Hldgs	5,800	123,614	121,220	0.49
New China Life Insurance Co Lt	3,200	104,262	121,600	0.49
People's Insurance Co Group CN	28,000	90,100	85,400	0.35
PICC Property & Casualty Co Ltd	26,000	214,920	219,180	0.89
Ping An Insurance Grp Co China	20,000	1,549,049	1,876,000	7.60
	<u>155,800</u>	<u>5,321,414</u>	<u>6,045,800</u>	<u>24.50</u>
<u>Health Care</u>				
CSPC Pharmaceutical Group Ltd	18,000	231,760	226,440	0.92
Shanghai Fosun Phar Group Co	1,500	36,325	35,400	0.14
Shanghai Pharmaceuticals Hdgs	3,400	56,754	52,156	0.21
Sino Biopharmaceutical Ltd	25,000	161,490	199,500	0.81
Wuxi Biologics Cayman Inc	1,500	101,825	105,150	0.43
	<u>49,400</u>	<u>588,154</u>	<u>618,646</u>	<u>2.51</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019
(DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)**

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 30 June 2019 is as follows (continued):

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost HKD</u>	<u>Fair value HKD</u>	<u>Percentage of NAV %</u>
<u>Hong Kong (continued)</u>				
<u>Industrials</u>				
China Everbright Intl Ltd	14,000	107,360	100,940	0.41
China Resources Beer Holdings	4,000	115,300	148,400	0.60
	<u>18,000</u>	<u>222,660</u>	<u>249,340</u>	<u>1.01</u>
<u>Technology</u>				
Alibaba Health Information Tec	14,000	102,980	104,720	0.42
China Tower Corp Ltd	174,000	368,880	356,700	1.45
Kingsoft Corp Ltd	3,000	54,280	50,700	0.21
Tencent Holdings Ltd	7,200	2,447,397	2,537,280	10.28
ZTE Corporation	3,000	52,254	67,500	0.27
	<u>201,200</u>	<u>3,025,791</u>	<u>3,116,900</u>	<u>12.63</u>
<u>Telecommunications</u>				
China Mobile Ltd	22,000	1,772,435	1,564,200	6.34
China Telecom Corp Ltd	56,000	238,760	219,520	0.89
China Unicom Hong Kong Ltd	22,000	199,220	188,320	0.76
HKT Trust & HKT Ltd	14,000	167,020	173,600	0.70
	<u>114,000</u>	<u>2,377,435</u>	<u>2,145,640</u>	<u>8.69</u>
<u>Utilities</u>				
CGN Power Co Ltd	39,000	87,360	83,850	0.34
China Resources Power Holdings	6,000	95,160	68,160	0.28
Huaneng Power Intl Inc.	16,000	78,880	73,440	0.30
	<u>61,000</u>	<u>261,400</u>	<u>225,450</u>	<u>0.92</u>
<u>United States</u>				
<u>Consumer Services</u>				
58.com Inc	288	144,763	139,901	0.57
Alibaba Group Holding Ltd	1,768	2,262,927	2,340,415	9.48
Autohome Inc	177	108,952	118,287	0.48
Ctrip.com International Ltd	1,221	316,740	352,132	1.43

**NOTES TO THE FINANCIAL STATEMENTS
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8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 30 June 2019 is as follows (continued):

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost HKD</u>	<u>Fair value HKD</u>	<u>Percentage of NAV %</u>
<u>United States (continued)</u>				
<u>Consumer Services (continued)</u>				
Huazhu Group Ltd	336	86,261	95,247	0.38
Melco Resorts & Entertainment	768	131,030	130,337	0.53
New Oriental Education & Tech	375	233,799	282,839	1.15
TAL Education Group	1,138	287,203	338,776	1.37
Vipshop Holdings Ltd	1,341	83,995	90,424	0.37
	<u>7,412</u>	<u>3,655,670</u>	<u>3,888,358</u>	<u>15.76</u>
<u>Health Care</u>				
BeiGene Ltd	124	125,536	119,966	0.49
China Biologic Prod Hldgs Inc	94	69,449	69,980	0.28
	<u>218</u>	<u>194,985</u>	<u>189,946</u>	<u>0.77</u>
<u>Industrials</u>				
JD.com Inc	2,619	502,660	619,637	2.51
ZTO Express Cayman Inc	1,188	168,264	177,388	0.72
	<u>3,807</u>	<u>670,924</u>	<u>797,025</u>	<u>3.23</u>
<u>Technology</u>				
Baidu Inc	912	1,130,584	836,440	3.39
Momo Inc	443	106,083	123,918	0.50
NetEase Inc	236	450,647	471,618	1.91
Weibo Corp	202	89,809	68,673	0.28
YY Inc Depositary Receipt	155	85,884	84,389	0.34
	<u>1,948</u>	<u>1,863,007</u>	<u>1,585,038</u>	<u>6.42</u>
Total quoted equities – foreign	<u>906,985</u>	<u>23,259,022</u>	<u>24,194,226</u>	<u>98.05</u>
Accumulated unrealised gain on quoted equities – foreign		<u>935,204</u>		
Total quoted equities – foreign		<u>24,194,226</u>		

**NOTES TO THE FINANCIAL STATEMENTS
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9 NUMBER OF UNITS IN CIRCULATION

	<u>2019</u> No. of units
At the date of launch	-
Creation of units arising from applications during the financial period	2,400,000
Cancellation of units during the financial period	<u>(100,000)</u>
At the end of the financial period	<u><u>2,300,000</u></u>

10 TRANSACTIONS WITH BROKERS

(i) Details of transactions with the top brokers for the financial period from 15 January 2019 (date of launch) to 30 June 2019 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> HKD	Percentage of total <u>trade</u> %	Brokerage <u>fees</u> HKD	Percentage of total <u>brokerage</u> %
Macquarie Capital Securities Ltd	23,592,206	80.80	9,009	64.67
CLSA Ltd	4,547,595	15.57	2,274	16.32
China International Capital Corp HK Securities Ltd	1,058,699	3.63	2,647	19.00
	<u>29,198,500</u>	<u>100.00</u>	<u>13,930</u>	<u>100.0</u>

11 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationships</u>
Affin Hwang Asset Management Berhad	The Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Bank Berhad (“ABB”)	Ultimate holding company of the Manager

**NOTES TO THE FINANCIAL STATEMENTS
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11 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

The units held by the Manager as at the end of the financial period are as follows:

	No. of units	2019 HKD
<u>The Manager:</u>		
Affin Hwang Asset Management Berhad (The units are held legally)		
- MYR (0829EA)	190,000	2,038,472
- USD (0829EB)	10,000	107,288
	<u> </u>	<u> </u>
<u>Holding company of the Manager:</u>		
Affin Hwang Investment Bank Berhad (The units are held legally)		
- MYR (0829EA)	394,800	4,235,730
	<u> </u>	<u> </u>

12 MANAGEMENT EXPENSE RATIO (“MER”)

	Financial period from 15.1.2019 (date of launch) to <u>30.6.2019</u> %
MER	<u>0.66</u>

MER is derived from the following calculation:

$$\text{MER} = \frac{(\text{A} + \text{B} + \text{C} + \text{D} + \text{E} + \text{F}) \times 100}{\text{G}}$$

A	=	Management fee, excluding management fee rebates
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Licence fee
F	=	Other expenses
G	=	Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial period from 15 January 2019 (date of launch) to 30 June 2019 calculated on a daily basis was HKD19,297,961.

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FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2019
(DATE OF LAUNCH) TO 30 JUNE 2019 (CONTINUED)**

13 PORTFOLIO TURNOVER RATIO (“PTR”)

Financial
period from
15.1.2019
(date of
launch) to
30.6.2019

PTR (times) 0.76

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

where: total acquisition for the financial period = HKD26,207,580

total disposal for the financial period = HKD2,948,558

14 SEGMENT INFORMATION

The strategic asset allocation committee of the Investment Manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by the Manager that are used to make strategic decisions.

The committee is responsible for the Fund’s entire portfolio and considers the business to have a single operating segment. The committee’s asset allocation decisions are based on a single, integrated investment strategy and the Fund’s performance is evaluated on an overall basis.

The reportable operating segments derive their income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of interest, dividends and gains on the appreciation in the value of investments and are derived from quoted equities in China, Hong Kong and United States.

There were no changes in the reportable segments during the financial period.

The internal reporting provided to the committee for the Fund’s assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS.

15 COMPARATIVES

There are no comparative figures as this is the first set of financial statements prepared since the launch of the Fund.

TRADEPLUS S&P NEW CHINA TRACKER

STATEMENT BY THE MANAGER

I, Teng Chee Wai, as the Director of **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 10 to 33 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 June 2019 and of its financial performance, changes in equity and cash flows for the financial period from 15 January 2019 (date of launch) to 30 June 2019 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
AFFIN HWANG ASSET MANAGEMENT BERHAD

TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
15 August 2019

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