

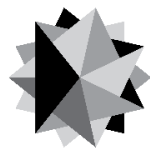
# TradePlus

## S&P New China Tracker

Annual Report

31 December 2020

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



**AFFIN HWANG**  
CAPITAL

**MANAGER**

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)

**TRUSTEE**

TMF Trustees Malaysia Berhad (610812-W)

# TRADEPLUS S&P NEW CHINA TRACKER

## Annual Report and Audited Financial Statements For the Financial Year Ended 31 December 2020

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## GENERAL INFORMATION

### MANAGER

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)  
*Registered Office:*  
27<sup>th</sup> 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](mailto:customercare@affinhwangam.com)  
Website: [www.affinhwangam.com](http://www.affinhwangam.com)

### MANAGER'S DELEGATE

(fund valuation & accounting function)  
TMF Trustees Malaysia Berhad (610812-W)  
*Registered & Business Address:*  
10<sup>th</sup> 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:*  
10<sup>th</sup> 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](mailto:fundserviceskl@tmf-group.com)  
Website: [www.tmf-group.com](http://www.tmf-group.com)

### TRUSTEE'S DELEGATE

(Custodian)  
Standard Chartered Bank Malaysia Berhad  
*Registered & Business Address:*  
Level 16, Menara Standard Chartered  
30 Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel. No: (603) 2117 7777  
Website: [www.sc.com/my](http://www.sc.com/my)

### COMPANY SECRETARY

Azizah Shukor (LS0008845)  
27<sup>th</sup> Floor Menara Boustead,  
69 Jalan Raja Chulan  
50200 Kuala Lumpur

### REGISTRAR

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)  
27<sup>th</sup> 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 31 DECEMBER 2020

Size of holdings (units)	No. of unitholders	No. of units held	% of units held
1 - 99	0	0	0
100 - 1,000	207	85,200	2.82
1,001 - 10,000	68	181,900	6.03
10,001 - 100,000	12	360,600	11.95
100,001 - < 5% *	0	0	0
>= 5% *	4	2,390,600	79.20
<b>Total</b>	<b>291</b>	<b>3,018,300</b>	<b>100</b>

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

### BREAKDOWN OF UNITHOLDERS BY USD CLASS (0829EB) SIZE AS AT 31 DECEMBER 2020

Size of holdings (units)	No. of unitholders	No. of units held	% of units held
1 - 99	0	0	0
100 - 1,000	5	2,300	0.73
1,001 - 10,000	3	18,400	5.81
10,001 - 100,000	1	16,000	5.05
100,001 - < 5% *	2	280,000	88.41
>= 5% *	0	0	0
<b>Total</b>	<b>11</b>	<b>316,700</b>	<b>100</b>

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

## FUND PERFORMANCE DATA

Category	As at 31 Dec 2020	As at 31 Dec 2019
<b>Portfolio composition (%)</b>		
<b>Quoted equities – foreign</b>		
- Health Care	6.49	5.11
- Consumer Goods	15.72	10.50
- Consumer Services	34.76	32.93
- Financials	14.70	22.20
- Oil & Gas	0.18	-
- Industrials	1.05	1.10
- Technology	18.63	20.48
- Telecommunications	2.57	6.88
- Utilities	-	0.21
<b>Total quoted equities – foreign (%)</b>	<b>94.10</b>	<b>99.40</b>
<b>Cash &amp; cash equivalent (%)</b>	<b>5.90</b>	<b>0.60</b>
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>
<b>Country Allocation (%)</b>		
China	-	0.47
Hong Kong	58.14	66.25
United States	35.96	32.69
Cash	5.90	0.60
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (HKD 'million)	52.881	26.535
NAV per Unit (in HKD)	15.8565	11.5370
Unit in Circulation (million)	3.335	2.300
Highest NAV per unit	15.8565	11.6444
Lowest NAV per unit	9.2570	9.8777
Return of the Fund (%) <sup>iii</sup>	40.85	15.37
- Capital Growth (%) <sup>i</sup>	37.44	15.37
- Income Distribution (%) <sup>ii</sup>	2.48	Nil
Gross Distribution per Unit (sen)	38.00	Nil
Net Distribution per Unit (sen)	38.00	Nil
Management Expense Ratio (%) <sup>1</sup>	1.13	1.39
Portfolio Turnover Ratio (times) <sup>2</sup>	0.75	0.84
Tracking Error	2.42	1.30

### **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

<sup>1</sup>The MER of the Fund was lower than the previous year due to higher average net asset value of the Fund for the financial year.

<sup>2</sup>The PTR of the Fund was lower than the previous year due to higher average net asset value of the Fund for the financial year.

## MANAGER'S REPORT

### Income Distribution / Unit Split

The Net Asset Value per unit prior and subsequent to the distribution was as follows:-

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
12-Nov-20	13-Nov-20	15.3728	0.3800	15.2979

No unit split were declared for the financial year ended 31 December 2020.

### Performance Review

For the period 1 January 2020 to 31 December 2020, the Fund registered a 40.85% return compared to the benchmark return of 43.60%. The Fund thus underperformed the Benchmark by 2.75%. The Net Asset Value ("NAV") of the Fund as at 31 December 2020 was HKD52,881,389.19 (HKD15.8565 per unit) while the NAV as at 31 December 2019 was HKD26,535,176.78 (HKD11.5370 per unit). During the period under review, the Fund has declared a total income distribution of HKD0.3800 per unit.

Since commencement, the Fund has registered a return of 62.50% compared to the benchmark return of 68.55%, underperforming by 6.05%. We believe the Fund's objective of providing investment results that closely correspond to the performance of the Benchmark has been met.

Table 1: Performance of the Fund

	1 Year (1/1/20 - 31/12/20)	Since Commencement (24/1/19 - 31/12/20)
<b>Fund</b>	<b>40.85%</b>	<b>62.50%</b>
<b>Benchmark</b>	<b>43.60%</b>	<b>68.55%</b>
<b>Outperformance</b>	<b>(2.75%)</b>	<b>(6.05%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/1/20 - 31/12/20)	Since Commencement (24/1/19 - 31/12/20)
<b>Fund</b>	<b>40.85%</b>	<b>28.44%</b>
<b>Benchmark</b>	<b>43.60%</b>	<b>30.88%</b>
<b>Outperformance</b>	<b>(2.75%)</b>	<b>(2.44%)</b>

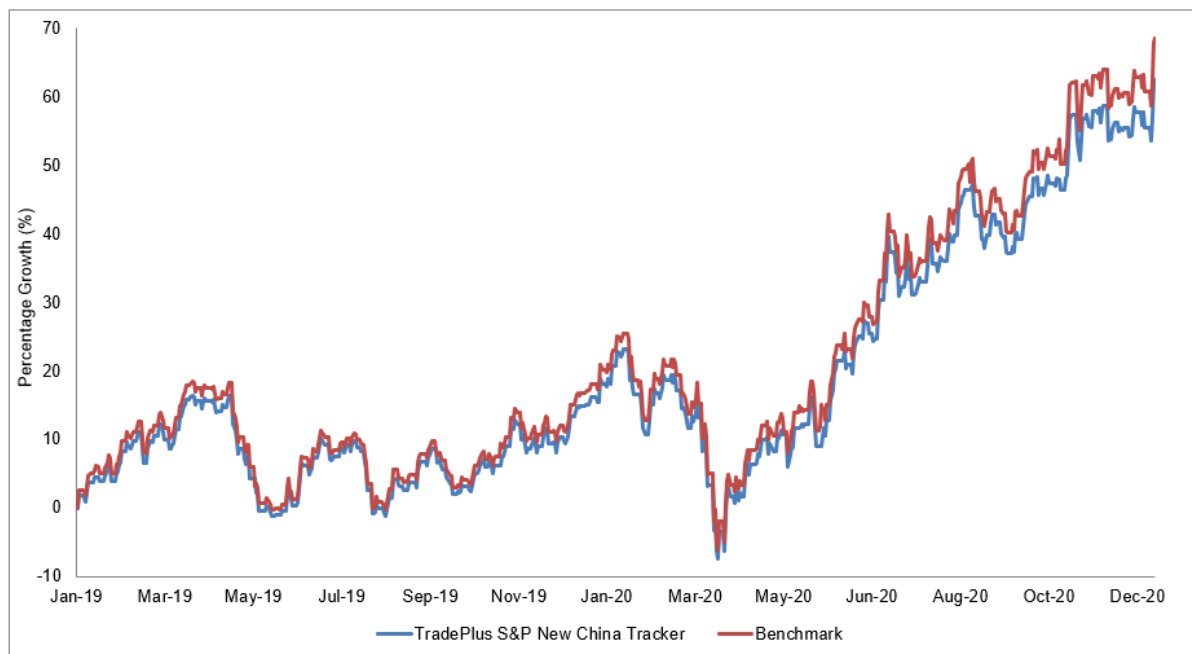
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (1/1/20 - 31/12/20)	FYE 2019 (24/1/19 - 31/12/19)
<b>Fund</b>	<b>40.85%</b>	<b>15.37%</b>
<b>Benchmark</b>	<b>43.60%</b>	<b>17.37%</b>
<b>Outperformance</b>	<b>(2.75%)</b>	<b>(2.00%)</b>

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark since commencement.



*"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. Source of Benchmark is from Bloomberg."*

Benchmark: S&P New China Sectors Ex A-Shares Index

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

### **Asset Allocation**

As at 31 December 2020, the ETF's asset allocation stood at 94.10% 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 31 December 2020, the Fund's AUM stood at HKD52.881 million, with 94.10% of the Fund's NAV invested into equities.

### **Market Review**

Global markets got off to a rocky start in 2020 as benchmark gauges reeled from contagion fears as a result of the coronavirus outbreak. The World Health Organization declared a global health emergency as soon as the coronavirus outbreak has claimed the lives of at least 300 people with rates of infection rapidly increasing. The global equities trended lower as risk assets continue to reel from the impact of the Covid-19 outbreak which sent chills to investors. The rapid spread of the infection outside of China with new cases springing in Italy, South Korea and Iran led to a rush towards safe haven assets with US Treasury yields dipping to record lows.

Coming into March, the global markets faced a washout, as few asset classes were spared from the selloff due to the pandemic fears as infection rates continue to escalate rapidly. The MSCI Asia ex-Japan index closed 12.2% lower in the month. In the US, the S&P 500 index closed 12.5% lower that month. To stem the fallout from the coronavirus, major economies led by the US has introduced an unprecedented relief package

to cushion its economy. The relief package comes as the US also reports the greatest number of Covid-19 cases, making it the country with the largest outbreak in the world surpassing that of Italy and China.

However, global equities staged a rebound in April as markets looked past recent softness in economic data and were instead buoyed by stimulus optimism as well as encouraging developments on the COVID-19 front. The rally was fuelled by a volley of stimulus measures rolled out by major central banks including an expansion package by the US Federal Reserve and the European Union (EU). The S&P 500 index advanced since: By December, the S&P 500 index closed 14.3% on a year-to-date basis. In Asia, the broader MSCI Asia ex Japan index registered a higher gain of 20.4% in the same period, being the first to come out of the pandemic.

The US unveiled its Main Street Lending Program which is designed to provide support and ensure credit flow into SMEs that were in “good financial standing”. Similarly, the EU proposed a European Stability Mechanism (“ESM”) which offers a credit line of up to 240 billion Euros to EU members.

Tensions between the two global powerhouses rose recently after China ordered the US to close its Chengdu-based consulate. The order followed the US closure of the Chinese consulate in Houston. On the other hand, remarks by US President Donald Trump that he will move to ban Chinese-owned video app TikTok in the US also added fuel to this fire.

On commodities, crude oil prices slid by about 40% as at end of October, after oil prices rebounded in June following a move by Organization of the Petroleum Exporting Countries (“OPEC”) and its oil-producing allies to extend the group’s historic production cut. However, by December global commodities market ended on a strong note, with oil prices back to levels above US\$50 per barrel, and other commodities such as Dalian iron ore futures and silver gaining 50% in 2020.

On the domestic front, the country plunged into political turmoil which ultimately culminated in the appointment of Tan Sri Muhyiddin Yassin as the eighth Prime Minister, from the Perikatan Nasional coalition (UMNO, PAS, Bersatu and a splinter faction of PKR). The appointment was announced by Istana Negara amidst shifting political allegiances and frantic horse-trading across the ruling and opposition coalitions.

Malaysia's economy posted a smaller contraction of 2.7 per cent in the third quarter (3Q) of 2020, surpassing consensus estimate of -4.6 per cent, as well as the Gross Domestic Product (GDP) contraction of 17.1 per cent in 2Q, supported by improvements in all sectors.

Prime Minister Tan Sri Muhyiddin Yassin unveiled a RM250 billion economic stimulus package to soften the economic blow due to the impact of Covid-19 with businesses shuttered due to the movement control order (MCO). Called the Pakej Rangsangan Ekonomi Prihatin Rakyat or Prihatin, the package comprises RM128 billion to protect the welfare of the people, RM100 billion to protect the welfare of small and medium enterprises (“SMEs”) and RM2 billion to strengthen the country’s economy according to The Edge. This was on top of the RM20 billion stimulus that was earlier announced on 27 February.

Whilst RM250 billion seems like a massive amount on the surface, the actual fiscal spending outlay amounts to 10.0% or RM25billion. The rest of the relief package comes in the form of loan guarantees, moratorium in loan repayments, EPF withdrawals, among others. In April, Prime Minister had announced an additional RM10billion package to help SMEs cope during the pandemic.

Malaysia Budget 2021 was announced in November, with an allocated RM 322.5 billion expenditure, with 26.5% of it coming from borrowings and use of government assets. 5.3% of this budget has been devoted to the Covid-19 fund. The KLCI ended 2020 with a 2.4% gain, buoyed by the liquidity-driven rally that was seen throughout the year.

The Malaysia bond market saw foreign holdings increase by RM 3.6 billion in December, bringing foreign share holdings of outstanding bonds to 13.9%, its highest since January 2020. In total, 2020 saw an RM 18.30 billion net foreign inflow due to attractive yield valuations and dollar weakness. Yields ended lower in December compared to the month before, mostly on the longer end of the yield curve. The 3-year and 10-year MGS settling 3 bps and 9bps lower respectively, to the month before.

## **Investment Outlook**

Global markets have rallied sharply from their lowest, supported by fiscal and monetary stimulus. The economy is still recovering, albeit at a slow pace, as consumers’ confidence return following the low death



rates despite the rise in infections. With most markets recovering the year's losses by December coincided with the release of Phase III clinical trial data for the vaccines, there is certainly light at the end of the tunnel for global markets.

Markets will be playing a "recovery theme" into 2021. General market consensus suggests global GDP is down 5% in 2020, with an expected rebound of 5.4% in 2021 with the reopening of economies and growth returns. As vaccine rollout begins, we can expect macroeconomic conditions to improve, but normalization will take time.

The worldwide Covid-19 death toll has since breached the 1 million mark, with US cases remaining stable at a high rate and Europe battling new waves. The shift in infections to younger age groups and more effective treatments however ensured Europe's continuous recovery despite the increasing infection rates. It is also more exposed to global trade than US, thus will benefit from the rebound in Chinese demand. Europe's exposure to financials, cyclical sectors such as energy and industrials, will potentially outperform in the second phase of recovery when economy continues to pick up as yield curve steepens. US dollar should weaken as economy recovers globally given its counter-cyclical behaviour, with more economically sensitive currencies appreciating instead, including euro and British sterling that are undervalued. However, British sterling faces higher volatility due to Brexit negotiations.

A Biden presidency sets the precedence for a steadier hand at the helm, and for US-China trade tensions to remain. Market volatility will remain in the year going forward as normalization returns, though it is unlikely this will stem from overtly reckless or deliberate foreign policy making as seen in the past four years.

In Malaysia, recent alarming increase in Covid-19 cases caused targeted lockdowns across the country, potentially delaying economic recovery although remaining positive on a full rebound by 2021. From a bottom-up perspective, markets are still focused on more export-oriented industries i.e. electromotive force and technology stocks. Gloves valuations and market momentum have since come down. Politics pose as minor distraction seeing how the peak of political risk has passed after Sabah election results were released. However, the risk to policy continuity caused by uncertainty of a majority win could lead to potential loss on FDI opportunities to other emerging market countries.

Despite the year and outflows during the first quarter, fund flows into global equities have returned, and a shift particularly towards ESG funds. In Europe, there was a €1.1 trillion inflow to ESG funds, doubled that of the year before. Buoyed by a "Goldilocks" environment with a favourable US election outcome, low interest rates and positive developments on the vaccine front, we could see additional support for risk assets.

Earnings momentum is expected to continue into 2021 with earnings growth projected to rise by 38.0% in Asia ex-Japan (ex-Financials) according to estimates by some sell-side analysts. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages.

### **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.

### **Cross Trade**

No Cross trade transactions have been carried out during the reported period.

## THE MANAGER

### Board of Directors

Name	Teng Chee Wai
Designation	Managing Director
Age	54
Gender	Male
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"><li>• Bachelor of Science, National University of Singapore</li><li>• Post-Graduate Diploma in Actuarial Studies, City University in London.</li></ul>
Working Experience and Occupation	<ul style="list-style-type: none"><li>• Founder of AHAM</li><li>• Assistant General Manager (Investment), Overseas Assurance Corporation</li><li>• Investment Manager, NTUC Income, Singapore</li></ul>
Date appointed to the Board	23 December 2004
Details of membership of any Board Committee in AHAM	None
Details of other Directorship in public companies and listed issuers	<ul style="list-style-type: none"><li>• Director of Affin Hwang Trustee Berhad</li><li>• Director of Bintang Capital Partners Berhad</li></ul>
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	11/11

Name	Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad
Designation	Chairman, Non - Independent Non - Executive Director
Age	75
Gender	Male
Nationality	Malaysian
Qualification	Raja Tan Sri Dato' Seri Aman graduated from Universiti Malaya. He is a Fellow of the Institute of Chartered Accountants in England and Wales, member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants as well as a Fellow of the Institute of Bankers Malaysia.
Working Experience and Occupation	<p>Raja Tan Sri Dato' Seri Aman held various positions in the Maybank Group from 1974 to 1985 prior to joining Affin Bank Berhad as an Executive Director. In 1992, he joined Perbadanan Usahawan Nasional Berhad as its CEO before he was re-appointed as the CEO of Affin Bank Berhad in 1995.</p> <p>Raja Tan Sri Dato' Seri Aman had served as a member of the National Pension Fund's ("KWAP") Investment Panel and he is currently the Chairman of Lembaga Tabung Angkatan Tentera's (LTAT) Investment Committee. He had also served as a member of the Malaysian Government's Working Group Policy of the Special Task Force to Facilitate Business (PEMUDAH) for a period of ten (10) years from 2007 to 2017.</p>
Date appointed to the Board	19 February 2019
Details of membership of any Board Committee in AHAM	None
Details of other Directorship in public companies and listed issuers	<ul style="list-style-type: none"> <li>• Chairman of Ahmad Zaki Resources Berhad</li> <li>• Director of Affin Hwang Investment Bank Berhad</li> <li>• Director of Tomei Consolidated Berhad</li> </ul>
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	11/11

Name	Puan Mona Suraya bt Kamaruddin
Designation	Non-Independent Non-Executive Director
Age	54
Gender	Female
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> <li>• Emile Woolf College - CIMA (stage 3)</li> <li>• University College of Wales Aberystwyth-BSc (Economic) in Accounting (Hons)</li> </ul>
Working Experience and Occupation	<p><b>Present:</b> Group Managing Director of Affin Hwang Investment Bank Berhad</p> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>• Managing Director, Head of Equities, Nomura Securities Malaysia Sdn Bhd (“NSM”)</li> <li>• Vice-President, Institutional Sales, JP Morgan Securities Malaysia</li> <li>• Senior Manager, Institutional Sales, Arab-Malaysian Securities Malaysia</li> <li>• Head of Research, MGI Securities Sdn Bhd</li> <li>• Senior Investment Analyst, Crosby Securities, KL</li> <li>• Senior Investment Analyst, Standard Chartered Securities</li> <li>• Investment Analyst, Arab-Malaysian Securities Sdn Bhd</li> </ul>
Date appointed to the Board	12 Oct 2020
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> <li>• Member of Board Audit Committee</li> <li>• Member of Board Compliance and Risk Management Committee</li> </ul>
Details of other Directorship in public companies and listed issuers	Director of Affin Hwang Trustee Berhad
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	3/3

Name	ELEANOR SEET OON HUI (XUE ENHUI ELEANOR)
Designation	Non-Independent Non-Executive Director
Age	45
Gender	Female
Nationality	Singaporean
Qualification	Bachelor of Economics, University of New South Wales, Sydney
Working Experience and Occupation	<p><b>Present:</b></p> <ul style="list-style-type: none"> <li>• Representative director</li> <li>• President and Director of Nikko Asset Management Asia Limited</li> <li>• Head of Asia ex-Japan of Nikko Asset Management (Nikko AM)</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>• Director of South East Asia, AllianceBernstein</li> </ul> <p><b>Other Appointments:</b></p> <ul style="list-style-type: none"> <li>• Serves as Vice-Chairman on the Executive Committee of the Investment Management Association of Singapore (IMAS)</li> </ul>
Date appointed to the Board	30 March 2018
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> <li>• Member of Board Audit Committee</li> <li>• Member of Board Compliance and Risk Management Committee</li> </ul>
Details of other Directorship in public companies and listed issuers	None
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	11/11

Name	Major General Dato' Zulkiflee bin Mazlan (R)
Designation	Independent Non-Executive Director
Age	66
Gender	Male
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> <li>• Graduated from the Royal Military Academy at Sandhurst</li> <li>• Bachelor of Law (Hons) from Institute Technology of Mara</li> <li>• Master Degree in National Security Strategy from National Defense University, Fort McNair, Washington DC</li> </ul>
Working Experience and Occupation	<p><b>Present:</b> Major. Gen Dato' Zulkiflee is the Chairman of Koperasi Angkatan Tentera Malaysia and he also sits on the Board of Great Eastern Takaful Berhad, Affin Hwang Investment Berhad and Affin Hwang Trustee Berhad.</p> <p><b>Past:</b> Major General Dato' Zulkiflee had a distinguished career in the Malaysian Armed Forces. He also held numerous commands and staff appointments at the Ministry of Defence. He had served as Director General of Jabatan Hal Ehwal Veteran. He was the Chief Executive Officer of Yayasan Veteran Angkatan Tentera Malaysia and also served on the Board of Perbadanan Hal Ehwal Bekas Tentera.</p>
Date appointed to the Board	1 September 2019
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> <li>• Chairman of Board Compliance and Risk Management Committee</li> <li>• Member of Board Audit Committee</li> </ul>
Details of other Directorship in public companies and listed issuers	<ul style="list-style-type: none"> <li>• Chairman of Affin Hwang Investment Bank Berhad</li> <li>• Chairman of Affin Hwang Trustee Berhad</li> <li>• Director of Great Eastern Takaful Berhad</li> </ul>
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	11/11

Name	Faizal Sham Bin Abu Mansor
Designation	Independent Non-Executive Director
Age	49
Gender	Male
Nationality	Malaysian
Qualification	Encik Faizal graduated with a Bachelor of Science in Accounting from Rutgers University, New Jersey, USA. He later went on to obtain his Master in Business Administration from Ohio University, Athens, USA. Faizal also has a Diploma in Aviation Studies from the International Air Transport Association. He is a Fellow of the Chartered Accountants Australia & New Zealand and a former Member of the Malaysian Institute of Accountants.
Working Experience and Occupation	<p>Encik Faizal Sham started his career with the Securities Commission before gaining experience within the financial services industry through his tenure at Bank of Tokyo-Mitsubishi (M) Berhad, and Arab-Malaysian Merchant Bank Berhad which is now known as AmlInvestment Bank Berhad.</p> <p>He left Malaysia in 1998 to work in Australia for Polyaire Holdings Pty Ltd, a manufacturer and distributor of air-conditioning components before returning to rejoin AmlInvestment Bank Berhad in 2003 where he provided financial advisory services to some of the largest corporates in the country.</p> <p>He then moved on to become the Chief Financial Officer of WWE Holdings Berhad and later established his career at Malaysia Airports Holdings Berhad where he had helped restructure the company, drive it's financial performance and raise its profile with the investor community and international business expansion. Prior to his appointment as Director of the Company, Encik Faizal Sham was the Chief Executive Officer of Astro Productions, and Head of Astro Awani within Astro Malaysia Holdings Berhad</p> <p>Encik Faizal was appointed as a Senior Director, Finance &amp; Procurement at MARA Corporation Sdn Bhd, an investment holding company of Majlis Amanah Rakyat (MARA) on 5 October 2020.</p>
Date appointed to the Board	5 July 2019
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> <li>• Chairman of Board Audit Committee</li> <li>• Member of Board Compliance and Risk Management Committee</li> </ul>
Details of other Directorship in public companies and listed issuers	None
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	11/11

## Director's Training

The Board acknowledges the importance of continuing education for its Directors. During the Financial Year Ended 2020, the Board members had attended various training programmes, workshops, seminars, briefings and/or conferences on various subjects in accordance to the respective Director's own training needs. These trainings include:

### TENG CHEE WAI

Organiser	Name of Programme
FMTCS Sdn Bhd	Analysis and Valuation of Real Estate Investment Trust and Private Equity Estate Investment
AHAM	AML/CFT & TFS : Compliance A Need to Protect Business

### RAJA TAN SRI DATO' SERI AMAN BIN RAJA HAJI AHMAD

Organiser	Name of Programme
Asian School of Business (ASB)	Cybersecurity & Work-From-Home Security Challenges Amidst Covid-19 Pandemic
Ahmad Zaki Resources Berhad	Adequate Procedure & the Implementation of MS ISO 37001 Anti-Bribery Management System (ABMS)
AHAM	AML/CFT & TFS : Compliance A Need to Protect Business

### PUAN MONA SURAYA BT KAMARUDDIN

Organiser	Name of Programme
The Iclif Leadership & Governance Centre	Mandatory Accreditation Programme

### SEET OON HUI ELEANOR (XUE ENHUI ELEANOR)

Organiser	Name of Programme
Singapore Institute of Directors ("SID")	Effective Succession Planning and Compensation Decisions
SID	The Role of Directors - Duties, Responsibilities and Legal Obligations
SID	Assessing Strategic Performance: The Board Level View
SID	Finance for Directors
Bloomberg	The role of ESG in a decade of disruption - Bloomberg
Investment Management Association of Singapore ("IMAS")	Post Covid-19 Investment Management: Future of Work
Financial & Professional	Financial Sector Tripartite Committee (FSTC) meetings



Services Cluster Secretariat National Trades Union Congress (NTUC)	
Bloomberg	COVID-19 Impact and Response webcast
National University of Singapore Business School	7th Asian Monetary Policy Forum
Barclays	What Economic History Can Teach Us About Covid-19 with Niall Ferguson
Bloomberg	Bloomberg Invest Global
HSBC	Seeking Sustainable Alpha in China Equities: Active vs Passive
Fundspermart	'Nikko AM: We know Asia – Asian Equity'
Fundspermart	Nikko Asset Management – We Know Asia: Asian Fixed Income
DBS	first digital edition of the DBS Asian Insights Conference 2020: Navigating A Post-Pandemic World
IMAS	Liquidity Risk Management - Understanding Best Practices Across All Portfolio Types
PwC	Cybersecurity: Recent trends in a changing cyber risk landscape
IMAS	ESG Considerations in a COVID World, and Latest Trends in ESG Fund
HSBC	Asset Management Thought Leadership for institutional investors by HSBC
AHAM	AMLA Program (Refresher) on 10 Sept 2020 (session 1: Morning session)
BNP	BNP Paribas Global Markets APAC Conference 2020 - Live Series
IMAS	IMAS: Active vs Passive Investing: What's Your Take?
Nikko AM	Cybersecurity: Recent trends in a changing cyber risk landscape
IBF	Emerging stronger from COVID-19: Co-creating Opportunities for Our Workforce
MAS	Industry Engagement Session for Asset Managers
Bloomberg Women's Buy-Side Network (BWBN)	Sustainable infrastructure: The next big thing?
Bloomberg	Attitudes towards sustainable and responsible investment in Asia
EY	2020 Global Alternative Fund Symposium - Singapore
HSBC	Digital Thought Leadership C-Suite Roundtable for Institutional Investors
The Asset	Digitalization: The Future of Investing
Stewardship Asia	Stewardship & Sustainability: Moving from Intent to Impact
IMAS	IMAS Fintech Jam 2020
Milken	2020 Milken Institute Asia Summit

#### MAJOR GENERAL DATO' ZULKIFLEE BIN MAZLAN (R)

Organiser	Name of Programme
Financial Institutions Directors' Education ("FIDE")	3 <sup>rd</sup> Distinguished Board Leadership Series – "Challenging Times: What Role Must The Board Play"
FIDE	4 <sup>th</sup> Distinguished Board Leadership Series
FIDE	Digital Financial Institutions Series: Managing Virtual Banking and Insurance Businesses
Asia School of Business	Managing Political Risks
AHAM	AML/CFT & TFS : Compliance A Need to Protect Business
Affin Bank Berhad	Mind-Shift Series: Staying Relevant in the Age of Disruption and Innovation

FIDE	Climate Action: The Board s Leadership in Greening the Financial Sector
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#### FAIZAL SHAM BIN ABU MANSOR

Organiser	Name of Programme
Affin Hwang Asset Management Berhad (AHAM)	AML/CFT & TFS : Compliance A Need to Protect Business
Affin Bank Berhad	Mind-Shift Series: Staying Relevant in the Age of Disruption and Innovation

During the Financial Year Ended 2020, there were no public sanction or penalty that was imposed on the management company by the relevant regulatory bodies.

#### The Custodian (Trustee's Delegate)

The Trustee has appointed Standard Chartered Bank Malaysia Berhad ("SCBMB") as the custodian of the quoted and unquoted investments of the Fund. SCBMB was incorporated in Malaysia under the same name on 29 February 1984 under the Companies Act 1965 as a public limited company and is a subsidiary of Standard Chartered PLC (the holding company of a global banking group). SCBMB was granted a license on 1 July 1994 under the Financial Services Act 2013.

SCBMB is responsible for the Fund's assets settlement and custodising the Fund's asset. The assets are held in the name of the Fund through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with the instruction from the Trustee.

## **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 31 December 2020. To the best of our knowledge, Affin Hwang Asset Management Berhad, the Manager, has operated and managed the ETF 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 Exchange-Traded 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 and pricing is carried out in accordance with the Deed of the Fund and other regulatory requirements; and
- (b) the creation and cancellation of units have been carried out in accordance with the Deed and relevant regulatory requirements.

During this financial period, a distribution of 38.00 sen per unit has been distributed to the Unitholders of the Fund. We are of the view that the distributions are not inconsistent with the objective of the Fund.

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

**NORHAYATI BINTI AZIT**  
**DIRECTOR – FUND SERVICES**

Kuala Lumpur  
8 February 2021

**TRADEPLUS S&P NEW CHINA TRACKER**  
**FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

# **TRADEPLUS S&P NEW CHINA TRACKER**

## **FINANCIAL STATEMENTS**

### **FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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## TRADEPLUS S&P NEW CHINA TRACKER

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> HKD	Financial period from 15.1.2019 (date of launch) to <u>31.12.2019</u> HKD
<b>INVESTMENT INCOME</b>			
Dividend income		314,045	338,132
Net loss on foreign currency exchange		(7,213)	(970)
Net gain on financial asset at fair value through profit or loss	9	9,825,131	2,881,215
		<u>10,131,963</u>	<u>3,218,377</u>
<b>EXPENSES</b>			
Management fee	4	(137,278)	(106,835)
Trustee fee	5	(10,982)	(8,547)
Auditors' remuneration		(42,000)	(42,000)
Tax agent's fee		(7,000)	(7,000)
Transaction and custody fee		(35,678)	(101,191)
Licence fee	6	(78,240)	(78,452)
Other expenses		(42,352)	(25,130)
		<u>(353,530)</u>	<u>(369,155)</u>
<b>PROFIT BEFORE TAXATION</b>		9,778,433	2,849,222
<b>TAXATION</b>	7	-	-
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>9,778,433</u>	<u>2,849,222</u>
Net profit after taxation is made up of the following:			
Realised amount		1,081,117	198,317
Unrealised amount		8,697,316	2,650,905
		<u>9,778,433</u>	<u>2,849,222</u>

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

## TRADEPLUS S&P NEW CHINA TRACKER

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> HKD	<u>2019</u> HKD
<b>ASSETS</b>			
Cash and cash equivalents		3,113,201	224,222
Financial assets at fair value through profit or loss	9	49,760,773	26,375,799
Dividend receivables		745	-
Prepayment of license fee		82,190	30
<b>TOTAL ASSETS</b>		<u>52,956,909</u>	<u>26,600,051</u>
<b>LIABILITIES</b>			
Amount due to Manager - management fee		18,241	11,029
Amount due to Trustee		1,459	882
Auditors' remuneration		43,009	42,000
Tax agent's fee		7,456	7,000
Other payables and accruals		5,355	3,963
<b>TOTAL LIABILITIES</b>		<u>75,520</u>	<u>64,874</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>52,881,389</u>	<u>26,535,177</u>
<b>EQUITY</b>			
Unitholders' capital		40,989,034	23,685,955
Retained earnings		11,892,355	2,849,222
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>52,881,389</u>	<u>26,535,177</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10	<u>3,335,000</u>	<u>2,300,000</u>
<b>NET ASSET VALUE PER UNIT (HKD)</b>		<u>15.8565</u>	<u>11.5370</u>

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

## TRADEPLUS S&P NEW CHINA TRACKER

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Unitholders' <u>capital</u> HKD	Retained <u>earnings</u> HKD	<u>Total</u> HKD
Balance as at 1 January 2020	23,685,955	2,849,222	26,535,177
Total comprehensive income for the financial year	-	9,778,433	9,778,433
Distribution (Note 8)	-	(735,300)	(735,300)
Movement in unitholders' capital:			
Creation of units arising from applications	25,909,090	-	25,909,090
Cancellation of units	(8,606,011)	-	(8,606,011)
Balance as at 31 December 2020	<u>40,989,034</u>	<u>11,892,355</u>	<u>52,881,389</u>
Balance as at 15 January 2019 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	2,849,222	2,849,222
Movement in unitholders' capital:			
Creation of units arising from applications	27,477,835	-	27,477,835
Cancellation of units	(3,791,880)	-	(3,791,880)
Balance as at 31 December 2019	<u>23,685,955</u>	<u>2,849,222</u>	<u>26,535,177</u>

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



## TRADEPLUS S&P NEW CHINA TRACKER

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	<u>2020</u> HKD	Financial period from 15.1.2019 (date of launch) to <u>31.12.2019</u> HKD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	14,367,035	6,904,850
Purchase of investments	(27,927,623)	(30,498,791)
Dividends received	297,864	338,089
Management fee paid	(130,066)	(95,806)
Trustee fee paid	(10,405)	(7,665)
License fee paid	(160,400)	(78,482)
Payment for other fees and expenses	(107,992)	(21,167)
Net realised loss on foreign currency exchange	(762)	-
	<hr/>	<hr/>
Net cash used in operating activities	(13,672,349)	(23,458,972)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	25,909,090	27,477,835
Payments for cancellation of units	(8,606,011)	(3,791,880)
Payments for distribution	(735,300)	-
	<hr/>	<hr/>
Net cash generated from financing activities	16,567,779	23,685,955
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	2,895,430	226,983
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		
	(6,451)	(2,761)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD /DATE OF LAUNCH</b>		
	224,222	-
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD</b>		
	3,113,201	224,222
	<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents comprise of bank balances.

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

## TRADEPLUS S&P NEW CHINA TRACKER

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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, International Financial Reporting Standards (“MFRS”).

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 L.

##### (a) Standards, amendments to published standards and interpretations that are effective

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

##### (b) Standards and amendments that have been issued but not yet effective

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Fund.

## **TRADEPLUS S&P NEW CHINA TRACKER**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

#### **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 DISTRIBUTION**

A distribution to the Fund's unitholders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

#### **D 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.

#### **E 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.

Withholding taxes on investment income from foreign investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised, measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

#### **F 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.

## **TRADEPLUS S&P NEW CHINA TRACKER**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

#### **G 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.

#### **H FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

##### **(i) Classification**

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

- those to be measured at fair value 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 Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

The Fund classifies cash and cash equivalents and dividend receivables 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.

## TRADEPLUS S&P NEW CHINA TRACKER

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

#### H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (ii) Recognition and measurement (continued)

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.

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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.

##### (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

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

##### Quantitative criteria:

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

## TRADEPLUS S&P NEW CHINA TRACKER

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

#### H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (iii) Impairment (continued)

###### Definition of default and credit-impaired financial assets (continued)

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

###### 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 bad debt recoveries. There are no write-offs/recoveries during the financial year.

#### I CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances which is subject to an insignificant risk of changes in value.

#### J 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 asset 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.

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.

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

#### J UNITHOLDERS' CAPITAL (CONTINUED)

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.

#### K 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.

#### L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS 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 impact 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.

##### Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in HKD primarily due to the following factors:

- (i) A significant portion of the Fund's investments are in quoted equities whose primary economic environment is in Hong Kong;
- (ii) Significant portion of the Fund's expenses are denominated in HKD;
- (iii) Cash creation and cash redemption of units are transacted in HKD.

#### M REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on Exchange-Traded Funds.

## **TRADEPLUS S&P NEW CHINA TRACKER**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

#### **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 Fund is listed on the main market of Bursa Malaysia and its objective is to provide investment results that closely correspond to the performance of the S&P New China Sectors Ex A-Shares Index Benchmark – a modified float-adjusted market capitalisation weighted index which is designed to measure the performance of China and Hong Kong domiciled companies in consumption and service-oriented industries.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded 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 8 February 2021.



## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Note	At amortised cost HKD	At fair value through profit or loss HKD	Total HKD
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents		3,113,201	-	3,113,201
Quoted equities	9	-	49,760,773	49,760,773
Dividend receivables		745	-	745
Total		<u>3,113,946</u>	<u>49,760,773</u>	<u>52,874,719</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		18,241	-	18,241
Amount due to Trustee		1,459	-	1,459
Auditor's remuneration		43,009	-	43,009
Tax agent's fee		7,456	-	7,456
Other payables and accruals		5,355	-	5,355
Total		<u>75,520</u>	<u>-</u>	<u>75,520</u>
<u>2019</u>				
<u>Financial assets</u>				
Cash and cash equivalents		224,222	-	224,222
Quoted equities	9	-	26,375,799	26,375,799
Total		<u>224,222</u>	<u>26,375,799</u>	<u>26,600,021</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		11,029	-	11,029
Amount due to Trustee		882	-	882
Auditor's remuneration		42,000	-	42,000
Tax agent's fee		7,000	-	7,000
Other payables and accruals		3,963	-	3,963
Total		<u>64,874</u>	<u>-</u>	<u>64,874</u>

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

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 Fund is structured as an index tracking fund that tracks its benchmark index, the S&P New China Sectors Ex A Share Index, which comprises of a diversified list of equity securities in its constituents. As such, the Manager believes that the Fund is able to minimise its price risk through the diversification that it has in its portfolio of underlying securities that replicates its benchmark index.

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

	<u>2020</u> HKD	<u>2019</u> HKD
<b>Quoted investments</b>		
Quoted equities	<u>49,760,773</u>	<u>26,375,799</u>

The table below summarises the sensitivity of the Fund's profit or loss, and NAV to movements in prices of its benchmark index. The analysis is based on the assumption that the benchmark index fluctuates by 21.52% (2019: 19.36%), which is the 3-year annualised standard deviation as at 31 December 2020. If all other variables are held constant, and that the fair value of the investments move in the same quantum with the fluctuation of the Benchmark Index, this would represent the Management's best estimates of a reasonable possible shift in the quoted securities.

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

<u>% Change in benchmark index</u>	<u>Market value</u> HKD	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> HKD
<u>2020</u>		
-21.52%	39,052,255	(10,708,518)
0%	49,760,773	-
+21.52%	<u>60,469,291</u>	<u>10,708,518</u>

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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: (continued)

<u>% Change in benchmark index</u>	<u>Market value</u> HKD	Impact on profit after <u>tax/NAV</u> HKD
<u>2019</u>		
-19.36%	21,269,444	(5,106,355)
0%	26,375,799	-
+19.36%	31,482,154	5,106,355

##### (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.

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

##### Market risk (continued)

##### (b) Currency risk (continued)

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

	<u>Quoted equities</u> HKD	<u>Cash and cash equivalents</u> HKD	<u>Total</u> HKD
<u>2019</u>			
<u>Financial assets</u>			
United States Dollar	19,024,856	10,038	19,034,894
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>Quoted equities</u> HKD	<u>Cash and cash equivalents</u> HKD	<u>Total</u> HKD
<u>2019</u>			
<u>Financial assets</u>			
United States Dollar	8,676,354	42,877	8,719,231
	<u>                    </u>	<u>                    </u>	<u>                    </u>

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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 based on United States Dollar's historical volatility (2019: 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 based on United States Dollar's historical volatility (2019: 5%). Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on profit after tax/NAV HKD
<u>2020</u>		
United States Dollar	+/- 1.21	<u>+/- 230,322</u>
<u>2019</u>		
United States Dollar	+/- 5	<u>+/- 435,962</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.

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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:

	Cash and cash <u>equivalents</u> HKD	Dividend <u>receivables</u> HKD	<u>Total</u> HKD
2020			
Financials			
- AAA	3,113,201	-	3,113,201
Others			
- NR	-	745	745
	<u>3,113,201</u>	<u>745</u>	<u>3,113,946</u>
2019			
Financials			
- AAA	<u>224,222</u>	-	<u>224,222</u>

##### 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 cash to meet anticipated payments for operating expenses and cancellation of units by unitholders.

The Fund's units can be redeemed either in-kind or in cash. For in-kind redemptions, an in-kind redemption basket comprising the authorised securities of the Fund, determined by the Manager on each dealing day will be delivered to the investor. For cash redemptions, a redemption basket of securities is liquidated and a cash sum equivalent to the redemption price multiplied by the number of units redeemed will be delivered to the investors. The Fund maintains a sufficient amount of cash and liquid securities to meet the ongoing operating expenses and liquidity requirements of the Fund.

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

##### Liquidity risk (continued)

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.

	Within <u>one month</u> HKD	Between one month to <u>to one year</u> HKD	<u>Total</u> HKD
<u>2020</u>			
Amount due to Manager			
- management fee	18,241	-	18,241
Amount due to Trustee	1,459	-	1,459
Auditor's remuneration	-	43,009	43,009
Tax agent's fee	-	7,456	7,456
Other payables and accruals	-	5,355	5,355
	<u>19,700</u>	<u>55,820</u>	<u>75,520</u>
<u>2019</u>			
Amount due to Manager			
- management fee	11,029	-	11,029
Amount due to Trustee	882	-	882
Auditor's remuneration	-	42,000	42,000
Tax agent's fee	-	7,000	7,000
Other payables and accruals	-	3,963	3,963
	<u>11,911</u>	<u>52,963</u>	<u>64,874</u>

##### 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.

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

#### 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.



## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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>2020</u>				
Financial asset at fair value through profit or loss				
- quoted equities	<u>49,760,773</u>	<u>-</u>	<u>-</u>	<u>49,760,773</u>
<u>2019</u>				
Financial asset at fair value through profit or loss				
- quoted equities	<u>26,375,799</u>	<u>-</u>	<u>-</u>	<u>26,375,799</u>

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 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 year ended 31 December 2020, management fee is recognised at a rate of 0.50% (2019: 0.50%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's prospectus.

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

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

#### 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 year ended 31 December 2020, the Trustee fee is recognised at a rate of 0.04% (2019: 0.04%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's prospectus.

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

#### 6 LICENCE FEE

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

For the financial year ended 31 December 2020, the license fee is recognised at minimum of USD10,000 (2019: USD10,000) per annum or 0.05% (2019: 0.05%) of the average daily asset under management, whichever is higher.

#### 7 TAXATION

	<u>2020</u> HKD	Financial period from 15.1.2019 (date of launch) to <u>31.12.2019</u> HKD
Current taxation	-	-

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

#### 7 TAXATION (CONTINUED)

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

	<u>2020</u> HKD	Financial period from 15.1.2019 (date of launch) to <u>31.12.2019</u> HKD
Net profit before taxation	9,778,433	2,849,222
Tax at Malaysian statutory rate of 24% (2019: 24%)	2,346,824	683,813
Tax effects of:		
Investment income not subject to tax	(2,431,672)	(772,410)
Expenses not deductible for tax purposes	80,497	84,929
Restriction on tax deductible expenses for Exchange-Traded Funds	4,351	3,668
Tax expense	-	-

#### 8 DISTRIBUTION

	<u>2020</u> HKD	<u>2019</u> HKD
Distribution to unitholders is from the following sources:		
Gross dividend income	213,933	-
Realised gain from sale of investments	359,815	-
Previous year's realised income	198,317	-
Gross realised income	772,065	-
Less: Expenses	(36,765)	-
	735,300	-
Gross/net distribution per unit (sen)	38.00	-

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

#### 8 DISTRIBUTION (CONTINUED)

	<u>2020</u> HKD	<u>2019</u> HKD
Cum-Distribution – 13 November 2020		
- NAV	30,336,758	-
	<u>                    </u>	<u>                    </u>
- NAV per unit	15.6779	-
	<u>                    </u>	<u>                    </u>
Ex-Distribution – 13 November 2020		
- NAV	29,601,458	-
	<u>                    </u>	<u>                    </u>
- NAV per unit	15.2979	-
	<u>                    </u>	<u>                    </u>

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

Included in distributions for the financial year is an amount of HKD198,317 (2019: HKD Nil) made from previous year's realised income.

#### 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2020</u> HKD	<u>2019</u> HKD
Financial assets at fair value through profit or loss:		
- quoted equities – foreign	49,760,773	26,375,799
	<u>                    </u>	<u>                    </u>
Net gain on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	1,121,364	227,549
- unrealised gain on changes in fair value	8,703,767	2,653,666
	<u>                    </u>	<u>                    </u>
	9,825,131	2,881,215
	<u>                    </u>	<u>                    </u>

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

(a) Quoted equities – foreign

(i) Quoted equities – foreign as at 31 December 2020 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>Hong Kong</u>				
<u>Consumer Goods</u>				
ANTA Sports Products Ltd	3,900	227,892	479,310	0.91
Brilliance China Auto Holdings Ltd	12,000	87,027	84,600	0.16
BYD Co Ltd	2,000	159,070	406,000	0.77
China Feihe Ltd	12,000	195,065	217,680	0.41
China Mengniu Dairy Co Ltd	10,500	330,580	490,875	0.93
China Resources Beer Holdings	6,000	250,100	428,400	0.81
Dongfeng Motor Group Co. Ltd	8,000	63,520	72,000	0.14
Fuyao Glass Industry Co Ltd	2,000	75,000	85,000	0.16
Geely Automobile Holdings Ltd	21,000	348,439	555,450	1.05
Great Wall Motor Co Ltd	12,500	118,387	331,250	0.63
Guangzhou Automobile Gp Co Ltd	12,000	101,600	102,960	0.19
Haier Smart Home Co Ltd	6,400	88,200	179,840	0.34
Hengan Intl. Grp Co Ltd	3,000	173,814	164,700	0.31
Li Ning Company Ltd	8,000	227,952	426,000	0.81
Minth Group Ltd	2,000	76,100	81,700	0.15
Nongfu Spring Co Ltd	6,000	288,600	329,400	0.62
Shenzhou Intl Group Holdings	2,900	324,128	438,190	0.83
Smooere International Holdings	6,000	326,400	358,800	0.68
Tingyi (Cayman Islnds) Holdings Co	8,000	107,200	105,440	0.20
Vitasoy International Holdings	4,000	146,000	120,600	0.23
Want Want China Holdings Ltd	24,000	141,930	134,400	0.25
WH Group Ltd	36,000	249,346	234,000	0.44
Yihai International Holding Ltd	2,000	142,700	229,800	0.43
Zhongsheng Group Holdings Ltd	2,000	97,075	110,500	0.21
	<u>212,200</u>	<u>4,346,125</u>	<u>6,166,895</u>	<u>11.66</u>

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 December 2020 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	8,000	59,380	48,720	0.09
China Eastern Airlines Corp Ltd	4,000	13,680	13,400	0.03
China Literature Ltd	1,200	68,880	73,020	0.14
China Southern Airlines Co Ltd	6,000	23,820	27,660	0.05
Evergrande Health Industry Group	7,000	196,000	211,400	0.40
Galaxy Entertainment Group Ltd	8,400	463,513	506,100	0.96
Haidilao International Holdings	3,000	89,750	178,200	0.34
Meituan Dianping	16,400	2,607,829	4,831,440	9.14
MTR Corp Ltd	6,000	260,973	260,100	0.49
Sands China Ltd	8,800	313,021	299,640	0.57
	<u>68,800</u>	<u>4,096,846</u>	<u>6,449,680</u>	<u>12.21</u>
<u>Financial Services</u>				
AIA Group Ltd	45,100	3,571,136	4,284,500	8.10
China Life Insurance Co. Ltd	30,200	552,925	516,420	0.98
China Pacific Insurance Group	11,000	308,116	333,850	0.63
China Taiping Insurance Holdings	5,400	76,248	75,384	0.14
Country Garden Services Holdings Co	5,000	151,500	262,000	0.50
New China Life Insurance Co Ltd	3,200	101,414	96,480	0.18
People's Insurance Co Group China	31,000	88,637	75,950	0.14
PICC Property & Casualty Co Ltd	28,000	206,729	163,800	0.31
Ping An Insurance Grp Co China	20,700	1,750,671	1,965,465	3.72
	<u>179,600</u>	<u>6,807,376</u>	<u>7,773,849</u>	<u>14.70</u>

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 December 2020 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>Health Care</u>				
CSPC Pharmaceutical Group Ltd	36,240	250,317	287,383	0.54
Hangzhou Tigermed Consulting	400	67,200	71,600	0.14
Hansoh Pharmaceutical Group Co	4,000	114,500	148,600	0.28
Innovent Biologics Inc	3,000	106,221	246,150	0.47
Microport Scientific Corp	2,000	83,000	83,900	0.16
Pharmaron Beijing Co Ltd	400	49,280	52,320	0.10
Shandong Weigao Group Medical	8,000	70,720	140,000	0.26
Shanghai Fosun Pharmaceutical	2,000	53,750	74,000	0.14
Sino Biopharmaceutical Ltd	45,250	265,755	339,375	0.64
Sinopharm Group Co Ltd	5,600	153,491	105,504	0.20
WuXi AppTec Co Ltd	1,100	106,270	166,540	0.31
Wuxi Biologics Cayman Inc	10,500	616,175	1,076,250	2.03
	<u>118,490</u>	<u>1,936,679</u>	<u>2,791,622</u>	<u>5.27</u>
<u>Oil &amp; Gas</u>				
China Longyuan Power Group	<u>12,000</u>	<u>81,240</u>	<u>93,240</u>	<u>0.18</u>
<u>Technology</u>				
Alibaba Health Information Technology	13,500	171,579	306,450	0.58
BYD Electronic Intl Co Ltd	2,000	83,600	81,000	0.15
China Tower Corp Ltd	192,000	316,093	218,880	0.41
China Youzan Ltd	48,000	111,360	110,400	0.21
Kingdee Intl Software Grp Co	10,000	199,570	315,500	0.60
Kingsoft Corp Ltd	4,000	144,500	199,800	0.38
Ping An Healthcare & Tech Co Ltd	2,300	208,955	216,085	0.41
Tencent Holdings Ltd	8,150	3,566,297	4,596,600	8.69
ZTE Corporation	3,200	59,670	62,336	0.12
	<u>283,150</u>	<u>4,861,624</u>	<u>6,107,051</u>	<u>11.55</u>

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 December 2020 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>Telecommunications</u>				
China Mobile Ltd	22,200	1,376,204	981,240	1.86
China Telecom Corp Ltd	58,000	184,214	124,700	0.24
China Unicom Hong Kong Ltd	24,000	172,437	106,800	0.20
HKT Trust & HKT Ltd	14,000	158,643	140,840	0.27
	<u>118,200</u>	<u>1,891,498</u>	<u>1,353,580</u>	<u>2.57</u>
<u>United States</u>				
<u>Consumer Goods</u>				
LI Auto Inc	660	168,128	147,486	0.28
NIO Inc	4,832	1,358,668	1,825,727	3.45
XPeng Inc	531	193,349	176,177	0.33
	<u>6,023</u>	<u>1,720,145</u>	<u>2,149,390</u>	<u>4.06</u>
<u>Consumer Services</u>				
Alibaba Group Holding Ltd	2,311	3,821,353	4,168,484	7.88
Bilibili Inc	524	266,711	348,278	0.66
GSX Techedu Inc	387	165,607	155,167	0.29
Huazhu Group Ltd	600	188,256	209,212	0.40
IQIYI Inc	1,107	182,917	150,038	0.28
JD.com Inc	3,643	1,452,440	2,481,213	4.69
Melco Resorts & Entertainment	781	119,316	112,333	0.21
New Oriental Education & Tech	594	582,691	855,700	1.62
Pinduoduo Inc	1,280	832,107	1,760,662	3.33
TAL Education Group	1,606	637,426	890,481	1.68
Trip.com Group Ltd	1,758	444,351	459,778	0.87
Vipshop Holdings Ltd	1,543	197,915	336,190	0.64
	<u>16,134</u>	<u>8,891,090</u>	<u>11,927,536</u>	<u>22.55</u>



## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 December 2020 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</u> (continued)				
<u>Health Care</u>				
BeiGene Ltd	174	277,808	347,947	0.66
Zai Lab Ltd	282	222,204	295,055	0.56
	<u>456</u>	<u>500,012</u>	<u>643,002</u>	<u>1.22</u>
<u>Industrials</u>				
ZTO Express Cayman Inc	2,468	482,464	557,823	1.05
<u>Technology</u>				
21Vianet Group Inc	362	90,055	97,258	0.18
Autohome Inc	216	144,547	166,778	0.32
Baidu Inc	973	1,130,334	1,630,045	3.08
GDS Holdings Ltd	448	261,877	323,956	0.61
JOYY Inc Depositary Receipt	228	130,592	141,022	0.27
NetEase Inc	1,583	857,657	1,173,782	2.22
Tencent Music Entertainment Group	1,437	173,179	214,264	0.40
	<u>5,247</u>	<u>2,788,241</u>	<u>3,747,105</u>	<u>7.08</u>
Total quoted equities – foreign	<u>1,022,768</u>	<u>38,403,340</u>	<u>49,760,773</u>	<u>94.10</u>
Accumulated unrealised gain on quoted equities – foreign		<u>11,357,433</u>		
Total quoted equities – foreign		<u>49,760,773</u>		

## TRADEPLUS S&P NEW CHINA TRACKER

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 December 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	4,400	145,149	125,180	0.47
<u>Hong Kong</u>				
<u>Consumer Goods</u>				
ANTA Sports Products Ltd	3,000	121,750	209,250	0.79
Brilliance China Automotive Holdings Ltd	12,000	93,220	96,960	0.37
Byd Co Ltd - H	2,500	119,200	97,125	0.37
China Mengniu Dairy Co Ltd	10,000	257,818	315,000	1.19
China Resources Beer Holdings Co Ltd	4,000	115,300	172,200	0.65
Geely Automobile Holdings	19,000	258,305	289,560	1.09
Great Wall Motor Company	12,000	68,449	69,120	0.26
Guangzhou Automobile Group Co Ltd	10,000	86,500	96,900	0.37
Haier Electronics	5,000	110,250	121,750	0.46
HengAn International Group Co Ltd	3,000	179,950	166,500	0.63
Li Ning Co Ltd	6,500	103,578	151,450	0.57
Shenzhen International Group Holdings Ltd	2,700	259,908	307,260	1.16
Ting Yi (Cayman Islands) Holding Corporation	6,000	80,400	79,800	0.30
Vitasoy International	4,000	146,000	112,800	0.42
Want Want China Holdings Ltd	23,000	144,721	167,440	0.63
WH Group Ltd	35,000	253,261	281,400	1.06
Yihai International Holding Ltd	1,000	46,850	45,700	0.17
	<u>158,700</u>	<u>2,445,460</u>	<u>2,780,215</u>	<u>10.49</u>

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 December 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	47,400	0.18
Galaxy Entertainment Group Ltd	9,000	469,145	516,150	1.95
Haidilao International Holding Ltd	3,000	89,750	93,900	0.35
Meituan Dianping	13,300	885,712	1,355,270	5.11
MTR Corp Ltd	5,500	242,613	253,000	0.95
Sands China Ltd	9,200	344,356	382,720	1.44
Wynn Macau Ltd	5,600	102,697	107,520	0.41
	<u>51,600</u>	<u>2,180,633</u>	<u>2,755,960</u>	<u>10.39</u>
<u>Financial Services</u>				
AIA Group Ltd	32,400	2,394,777	2,650,320	9.99
China Life Insurance Co Ltd	27,000	528,634	583,200	2.20
China Pacific Insurance GR-H	9,200	259,258	282,440	1.06
China Taiping Insurance Holdings Co Ltd	5,200	109,708	100,360	0.38
Country Garden Services Holdings Co Ltd	4,000	104,400	104,800	0.39
New China Life Insurance Co Ltd	2,800	91,197	93,800	0.35
Peoples Insurance CO Group of China Ltd	26,000	83,846	84,240	0.32
PICC Property & Casualty Co Ltd - H	26,000	217,768	244,140	0.92
Ping An Insurance Group Co of China Ltd - H	19,000	1,497,069	1,749,900	6.59
	<u>151,600</u>	<u>5,286,657</u>	<u>5,893,200</u>	<u>22.20</u>

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 December 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>Health Care</u>				
CSPC Pharmaceutica NPV	18,000	231,760	334,440	1.26
Hansoh Pharmaceutical Group Co Ltd	2,000	47,600	51,600	0.19
Innovent Biologics Inc	3,000	81,450	79,650	0.30
Shandong Weigao Group Medical Polymer Co Ltd	8,000	70,720	74,640	0.28
Shanghai Fosun Pharmaceutical Group	1,500	36,325	35,250	0.13
Sino Biopharmaceutical Ltd	24,000	167,889	261,600	0.99
WuXi AppTec Co Ltd - H Shares	500	48,825	48,325	0.18
Wuxi Biologics Cayman Inc	1,500	101,825	147,900	0.56
	<u>58,500</u>	<u>786,394</u>	<u>1,033,405</u>	<u>3.89</u>
<u>Technology</u>				
Alibaba Health Information Technology	12,000	88,269	107,760	0.41
China Tower Corp Ltd	162,000	336,302	278,640	1.05
Tencent Holdings Ltd	7,400	2,526,607	2,779,440	10.47
ZTE Corporation	2,800	50,329	66,780	0.25
	<u>184,200</u>	<u>3,001,507</u>	<u>3,232,620</u>	<u>12.18</u>
<u>Telecommunications</u>				
China Mobile Ltd	20,500	1,614,320	1,341,725	5.06
China Telecom Corp Ltd	52,000	216,454	166,920	0.63
China Unicom (Hong Kong) Ltd	22,000	196,112	161,480	0.61
HKT Trust & HKT Ltd	14,000	167,272	153,720	0.58
	<u>108,500</u>	<u>2,194,158</u>	<u>1,823,845</u>	<u>6.88</u>
<u>Utilities</u>				
Huaneng Power International Inc	14,000	69,020	55,020	0.21

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 December 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</u>				
<u>Consumer Services</u>				
58.com Inc	349	173,478	176,026	0.66
Alibaba Group Holding Ltd	1,591	2,065,681	2,629,654	9.91
Huazhu Group Ltd	416	110,810	129,853	0.49
IQIYI INC	952	157,931	156,519	0.59
JD.Com Inc	3,174	650,639	871,297	3.28
Melco Resorts & Entertainment Ltd	779	132,820	146,771	0.55
New Oriental Education & Technology Group	437	293,082	412,867	1.56
Pinduoduo Inc ADS	1,285	379,030	378,679	1.43
TAL Education Group	1,392	378,448	522,797	1.97
Trip.com Group Ltd	1,573	411,119	411,092	1.55
Vipshop Holdings Limited ADS	1,313	86,191	144,971	0.55
	<u>13,261</u>	<u>4,839,229</u>	<u>5,980,526</u>	<u>22.54</u>
<u>Healthcare</u>				
BeiGene Ltd	155	168,819	200,197	0.75
<u>Industrials</u>				
ZTO Express Cayman Inc	1,612	243,913	293,165	1.10

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 December 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</u> (continued)				
<u>Technology</u>				
Autohome Inc	198	121,388	123,147	0.46
Baidu Inc	1,034	1,247,524	1,018,310	3.84
GDS Holdings Ltd. ADR A	263	104,561	105,702	0.40
Joyy Inc Depository Receipt	238	123,476	97,880	0.37
Momo Inc	606	152,084	158,137	0.60
NetEase Inc	257	508,773	614,057	2.31
Weibo Corporation	236	103,388	85,233	0.32
	<u>2,832</u>	<u>2,361,194</u>	<u>2,202,466</u>	<u>8.30</u>
Total quoted equities – foreign	<u>749,360</u>	<u>23,722,133</u>	<u>26,375,799</u>	<u>99.40</u>
Accumulated unrealised gain on quoted equities – foreign		<u>2,653,666</u>		
Total quoted equities – foreign		<u>26,375,799</u>		

#### 10 NUMBER OF UNITS IN CIRCULATION

	<u>2020</u> No. of units	<u>2019</u> No. of units
At the beginning of the year/date of launch	2,300,000	-
Creation of units arising from applications	1,800,000	2,650,000
Cancellation of units during the financial year/period	<u>(765,000)</u>	<u>(350,000)</u>
At the end of the financial year/period	<u>3,335,000</u>	<u>2,300,000</u>

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

#### 11 TRANSACTIONS WITH BROKERS

(i) Details of transactions with brokers for the financial year ended 31 December 2020 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> HKD	<u>Percentage</u> <u>of total</u> <u>trade</u> %	<u>Brokerage</u> <u>fees</u> HKD	<u>Percentage</u> <u>of total</u> <u>brokerage</u> %
Alliance Bernstein (Singapore) Ltd	11,818,231	28.14	3,799	28.16
CLSA Ltd	9,586,950	22.82	4,041	29.95
Macquarie Capital Securities Ltd	9,244,670	22.01	762	5.65
JP Morgan Securities PLC	4,512,860	10.74	2,707	20.06
JP Morgan Securities (Asia Pacific) Ltd	4,229,678	10.07	1,271	9.42
Macquarie Bank Ltd Hong Kong Branch	2,614,205	6.22	913	6.76
	<u>42,006,594</u>	<u>100.00</u>	<u>13,492</u>	<u>100.00</u>

(ii) Details of transactions with brokers for the financial period from 15 January 2019 (date of launch) to 31 December 2019 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> HKD	<u>Percentage</u> <u>of total</u> <u>trade</u> %	<u>Brokerage</u> <u>fees</u> HKD	<u>Percentage</u> <u>of total</u> <u>brokerage</u> %
Macquarie Capital Securities Ltd	23,592,206	63.03	9,009	50.59
CLSA Ltd	10,392,773	27.77	5,196	29.18
Intisnet Pacific Ltd	2,385,527	6.37	954	5.36
China International Capital Corp HK Security	1,058,699	2.83	2,647	14.87
	<u>37,429,205</u>	<u>100.00</u>	<u>17,806</u>	<u>100.00</u>

## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

#### 12 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
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager as disclosed in its financial statements

The units held by the Manager and the parties related to the Manager as at the end of the financial period are as follows:

	<u>2020</u>		<u>2019</u>	
	<u>No. of units</u>	<u>HKD</u>	<u>No. of units</u>	<u>HKD</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held beneficially)	<u>500,000</u>	<u>7,928,250</u>	<u>500,000</u>	<u>5,768,500</u>
<u>Holding company of the Manager:</u>				
Affin Hwang Investment Bank (The units are held beneficially)	<u>-</u>	<u>-</u>	<u>97,300</u>	<u>1,122,550</u>



## TRADEPLUS S&P NEW CHINA TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

#### 13 MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2020</u> %	Financial period from 15.1.2019 (date of launch) to <u>31.12.2019</u> %
MER	<u>1.13</u>	<u>1.39</u>

MER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Licence fee
F	=	Other expenses, excluding sales and service tax on transaction costs and withholding tax
G	=	Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial year ended 31 December 2020 calculated on a daily basis was HKD27,454,711 (2019: HKD22,176,131).

#### 14 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2020</u>	Financial period from 15.1.2019 (date of launch) to <u>31.12.2019</u>
PTR (times)	<u>0.75</u>	<u>0.84</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year/period = HKD27,957,349 (2019: HKD 30,499,638)  
total disposal for the financial year/period = HKD13,230,320 (2019: HKD 6,733,097)

## **TRADEPLUS S&P NEW CHINA TRACKER**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

#### **15 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 dividends and gains on the appreciation in the value of investments and are derived from quoted equities in Hong Kong and United States.

The Fund has a diversified unitholder population. However, as at 31 December 2020, there were 3 (2019: 4) unitholders who held more than 10% of the Fund's NAV. The unitholders' holdings were 34.46%, 15.00%, 13.40% (2019: 19.43%, 16.00%, 15.97% and 11.63%).

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

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.

#### **16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, may result in the deterioration of the Fund's Net Asset Value/unit in future periods.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

## **TRADEPLUS S&P NEW CHINA TRACKER**

### **STATEMENT BY THE MANAGER**

I, Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion as the Manager, the financial statements set out on pages 1 to 37 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 31 December 2020 and of its financial performance, changes in equity and cash flows for the financial year ended 31 December 2020 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  
8 February 2021

## INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF TRADEPLUS S&P NEW CHINA TRACKER

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion, the financial statements of TradePlus S&P New China Tracker (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 December 2020, and of its financial performance and its cash flows for the financial year ended 31 December 2020 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 37.

#### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
TRADEPLUS S&P NEW CHINA TRACKER (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Fund. In particular, we considered where the Manager has made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Fund, the accounting processes and controls, and the industry in which the Fund operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Fund for the current year. These matters were addressed in the context of our audit of the financial statements of the Fund as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation and existence of financial assets at fair value through profit or loss</b></p> <p>Refer to Note H, Note 3 and Note 9 to the financial statements.</p> <p>The investment portfolio at the year ended comprised quoted equities valued at HKD49,760,773.</p> <p>We focused on the valuation and existence of investments because investments represent the most significant element of the net assets recognised in the financial statements.</p>	<p>We have tested the valuation of the quoted equities as at year-end by independently agreeing the price used in the valuation to the quoted price published by the relevant stock exchanges.</p> <p>We have tested the existence of the investment portfolio by agreeing the investment holding to an independent custodian confirmation.</p>

## INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF TRADEPLUS S&P NEW CHINA TRACKER (CONTINUED)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's report but does not include the financial statements of the Fund and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal controls as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or has no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF TRADEPLUS S&P NEW CHINA TRACKER (CONTINUED)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
TRADEPLUS S&P NEW CHINA TRACKER (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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

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

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Fund for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the unitholders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
8 February 2021



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