

TradePlus

S&P New China Tracker

Interim Report
30 June 2021

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

Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 30 June 2021

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GENERAL INFORMATION

MANAGER

Affin Hwang Asset Management Berhad
199701014290 (429786-T)
Registered Office:
27th Floor, Menara Boustead,
69 Jalan Raja Chulan
50200 Kuala Lumpur
Tel. No.: 03 – 2142 3700
Fax No.: 03 – 2142 3799

Business Office:

Ground Floor, Menara Boustead,
69 Jalan Raja Chulan
50200 Kuala Lumpur
Tel. No.: 03 – 2116 6000
Fax No.: 03 – 2116 6100
Toll Free No.: 1-800-88-7080
E-mail: customercare@affinhwangam.com
Website: www.affinhwangam.com

MANAGER'S DELEGATE

(fund valuation & accounting function)
TMF Trustees Malaysia Berhad (610812-W)
Registered & Business Address:
10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee,
50250 Kuala Lumpur
Tel. No.: 03 – 2382 4288
Fax No.: 03 – 2026 1451

TRUSTEE

TMF Trustees Malaysia Berhad (610812-W)
Registered & Business Address:
10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee,
50250 Kuala Lumpur
Tel. No.: 03 – 2382 4288
Fax No.: 03 – 2026 1451
E-mail: fundserviceskl@tmf-group.com
Website: www.tmf-group.com

TRUSTEE'S DELEGATE

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

COMPANY SECRETARY

Raja Shahrul Nizam Raja Yahya (LS0009904)
27th Floor Menara Boustead,
69 Jalan Raja Chulan
50200 Kuala Lumpur

REGISTRAR

Affin Hwang Asset Management Berhad
199701014290 (429786-T)
27th Floor, Menara Boustead,
69 Jalan Raja Chulan
50200 Kuala Lumpur
Tel. No.: 03 – 2142 3700
Fax No.: 03 – 2142 3799

FUND INFORMATION

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

BREAKDOWN OF UNITHOLDERS BY MYR CLASS (0829EA) SIZE AS AT 30 JUNE 2021

Size of holdings (units)	No. of unitholders	No. of units held	% of units held
1 - 99	1	31	0.00
100 - 1,000	523	229,469	3.93
1,001 - 10,000	199	599,800	10.27
10,001 - 100,000	23	645,200	11.05
100,001 - < 5% *	0	0	0
>= 5% *	4	4,366,700	74.76
Total	750	1,529,000	100.00

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

BREAKDOWN OF UNITHOLDERS BY USD CLASS (0829EB) SIZE AS AT 30 JUNE 2021

Size of holdings (units)	No. of unitholders	No. of units held	% of units held
1 - 99	0	0	0
100 - 1,000	4	1,300	0.41
1,001 - 10,000	2	16,500	5.26
10,001 - 100,000	1	16,000	5.10
100,001 - < 5% *	0	0	0
>= 5% *	2	280,000	89.23
Total	9	313,800	100.00

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

FUND PERFORMANCE DATA

Category	As at 30 Jun 2021	As at 30 Jun 2020
Portfolio composition (%)		
Quoted equities – foreign		
- Health Care	10.67	6.17
- Consumer Discretionary	40.22	-
- Consumer Staples	4.78	-
- Consumer Goods	-	10.51
- Consumer Services	-	35.47
- Energy	0.28	-
- Financial services	0.16	17.86
- Industrials	10.08	1.41
- Insurance	4.91	-
- Real Estate	1.20	-
- Technology	25.87	21.16
- Telecommunications	0.95	4.65
- Utilities	-	0.15
Total quoted equities – foreign (%)	99.12	97.38
Cash & cash equivalent (%)	0.88	2.62
Total (%)	100.00	100.00
Country Allocation (%)		
Hong Kong	80.95	63.44
United States	18.17	33.94
Cash	0.88	2.62
Total (%)	100.00	100.00
Total NAV (HKD 'million)	96.228	22.881
NAV per Unit (in HKD)	15.6341	12.4695
Unit in Circulation (million)	6.155	1.835
Highest NAV per unit	19.4069	12.7402
Lowest NAV per unit	14.7353	9.2570
Return of the Fund (%) ⁱⁱⁱ	-1.40	8.08
- Capital Growth (%) ⁱ	-1.40	8.08
- Income Distribution (%) ⁱⁱ	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil
Management Expense Ratio (%) ¹	0.35	0.49
Portfolio Turnover Ratio (times) ²	0.63	0.32
Tracking Error	0.97	0.58

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

¹ The Fund's MER was lower than previous year due to higher average net asset value of the Fund during the financial period.

² The Fund's PTR was higher than previous year due to higher trading activities of the Fund during the financial period.

MANAGER'S REPORT

Income Distribution / Unit Split

No income distribution or unit split were declared for the financial period ended 30 June 2021.

Performance Review

For the period 1 January 2021 to 30 June 2021, the Fund registered a -1.40% return compared to the benchmark return of -0.91%. The Fund thus underperformed the Benchmark by 0.49%. The Net Asset Value ("NAV") of the Fund as at 30 June 2021 was HKD96,227,937.00 (HKD15.6341 per unit) while the NAV as at 31 December 2020 was HKD52,881,389.19 (HKD15.8565 per unit).

Since commencement, the Fund has registered a return of 60.22% compared to the benchmark return of 67.01%, underperforming by 6.79%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	6 Months (1/1/21 - 30/6/21)	1 Year (1/7/20 - 30/6/21)	Since Commencement (24/1/19 - 30/6/21)
Fund	(1.40%)	28.49%	60.22%
Benchmark	(0.91%)	31.36%	67.01%
Outperformance	(0.49%)	(2.87%)	(6.79%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/7/20 - 30/6/21)	Since Commencement (24/1/19 - 30/6/21)
Fund	28.49%	21.35%
Benchmark	31.36%	23.44%
Outperformance	(2.87%)	(2.09%)

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)
Fund	40.85%	15.37%
Benchmark	43.60%	17.37%
Outperformance	(2.75%)	(2.00%)

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 30 June 2021, the ETF's asset allocation stood at 99.12% in equities while the remaining was held in cash and cash equivalent.

Strategies Employed

The Manager continues to adopt the full replication strategy. The Manager remained highly invested into the Index securities in the same approximate weightings or proportions as they appear in the Benchmark to provide investment results that closely correspond to the performance of the Benchmark. As at 30 June 2021, the Fund's AUM stood at HKD96.228 million, with 99.12% of the Fund's NAV invested into equities.

Market Review

Global equities started 2021 on a strong note as policy easing, and global vaccine rollouts went underway. At the start of January, US markets saw strong optimism. The storming of the US Capitol in early January had little effect over the broader market. However, a black swan event at the end of the month saw retail investors selectively targeting underperforming stocks (e.g. GME and AMC) that resulted in a short squeeze and pushing their share prices to new highs.

US equity markets ended the month of February with modest gains though sentiment was tested as surging bond yields and inflation fears took precedence. Whilst equities and bonds tend to move in opposite directions, the reality is that equity outperformance in the past year has largely come from growth-centric stocks and "stay at home" trades, which were facing short-term squeezes on their profit margins from rising rates. Another factor is the shift from growth to value, with value stocks performing better over the period.

Global equities endured a mixed session in March as US-China tensions boiled over dampening sentiment. The S&P 500 index rose 4.4% higher as the latest US labour data showed signs of a rebound. In Asia, the MSCI Asia ex-Japan index fell 2.5% as increased regulatory scrutiny prompted a selloff in Chinese technology stocks. The Hong Kong Hang Seng index dropped 1.8% in March. With recovery still in a fragile state, global central banks including the Fed are expected to keep monetary policy accommodative to nurse the economy through the pandemic. Meanwhile, rising bond yields continue to unsettle markets. Earnings season continues with technology and banking stocks leading way in terms of results. Banks are enjoying higher trading fees and lower provision costs as the economy gradually regains its footing.

Global markets shrugged off inflation fears to climb higher in June as investors start to buy-in to the Fed's dovish testimony. The S&P 500 index closed 2.4% higher reaching an all-time high of 4,280.70 points in the last week of the month. The Nasdaq index rose 5.6% buoyed by stimulus optimism after early indication of bipartisan support of the proposed US\$1.2 trillion infrastructure bill in the US Congress.

US Fed Chair, Jerome Powell testified in the House of Representatives to reiterate the central bank's view that inflation is transitory and that the FOMC will not rush to hike rates. The yield on the 10-year Treasury note tumbled from 1.60% to close at 1.46% in June as the Fed affirmed that it would not pre-emptively hike rates before signs of a recovery.

In Asia, the MSCI Asia ex-Japan index was marginally weaker down 1.1% in June as sentiment was dampened on geopolitical tensions and consolidation seen in China's economy. The Group of Seven ("G7") nations and North Atlantic Treaty Organisation ("NATO") held its annual summit in June with political leaders from US and Europe vowing to toughen its stance on China.

China had also reported weaker than expected retail sales and industrial production data. Industrial production grew 8.8% y-o-y in May, which came below consensus expectations of 9.2%. Weaker upstream production as well as a power shortage in the Yunan province which is an aluminium production hub led to lower factory output. May retail sales which rose 12.4% y-o-y also fell market expectations of 14.0%. However, weaker economic data could push back any chance of further tightening in China as policymakers look to sustain growth.

The commodity market saw multiple consecutive periods of increased market inflow, particularly across crude oil, grain & oilseed, and livestock markets in January. This rally continued in February, as copper saw its largest monthly gain in over four years and oil prices hitting new one-year highs. The S&P GSCI posted a return on 14.15% in the quarter. Overall, the commodities saw strong return in 1H2021, buoyed by vaccination programs and normalization of the economy.

In February and March, the local equity market's performance was muted relative to regional peers, gaining by 0.8% and 1.0% in the respective months. February was also results season in the local market, with the tech sector largely reporting earnings beat on the back of robust demand. Meanwhile, Finance Minister Tengku Zafrul clarified in an interview that the government is not looking to impose capital gains tax on stocks. The government is mulling new taxes to widen its revenue base once the economy is on a more stable footing.

The Malaysian bond market saw an unwinding of "rate cut" bets at the end of January following BNM's announcement to keep interest rates unchanged at 1.75% highlighting that recovery of the local economy was underway. The shorter-end of the MGS curve saw yields rise whilst longer-tenured papers remained resilient that month.

Yields trended higher in tandem with US treasury movement in the quarter. Undoubtedly, the performance of the local bond market has been subpar since the start of the year; especially given the volatility in US Treasury yields, as well as the lack of support from EPF due to its ongoing commitment to the i-Sinar and i-Lestari programme. However, we were seeing some demand returning in March, as more investors – including insurance players and asset managers – are seen nibbling into the market given the more attractive yield levels.

Benchmark KLCI fell 3.2% in June as daily new COVID-19 cases remain stubbornly high. Phase One of the movement control under the National Recovery Plan ("NRP"), which was initially scheduled to end on 28 June 2021 has been extended as cases has not fallen below the 4,000 threshold.

To provide aid to affected communities and businesses, the government unveiled the PEMULIH stimulus package worth RM150 billion. However, the direct fiscal injection of the stimulus package amounts to RM10 billion which includes cash handouts targeted at lower income groups as well as salary subsidies. The Prime

Minister also announced an opt-in blanket loan moratorium for individual borrowers as well as the i-Citra initiative to allow contributors to withdraw up to RM5,000 from their EPF as a lifeline for households.

The local bond market was similarly in a cautious mood ahead of the Fed's meeting and persistently high cases in the country. The 10-year MGS benchmark yield edged 7bps higher in the month to close at 3.28%. Malaysia's GDP forecast was slashed from 6.0% to 4.0% given the extension in lockdown.

With that, fiscal deficit is expected to breach above the government's target of 6.0%. With the newly unveiled PEMULIH stimulus package, we could see the debt ceiling be raised to 65.0% from 60.0%. This could translate to more government bond supplies, which may put further pressure on Malaysia's sovereign rating.

On the monetary policy side, Bank Negara Malaysia (BNM) may see more pressure to further slash the Overnight Policy Rate ("OPR") to cushion the economic impact of COVID-19. Malaysia's inflation figure came in at 4.4% in May 2021 as compared to the 4.7% in the preceding month.

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. Recovery plays will be the most obvious theme for the year of improving macroeconomic conditions and the inevitable rollout of vaccines has everyone looking to the future and letting go of 2020's miseries. We have already seen the rotation from growth to value take place in the start of 2021.

Earnings momentum will continue in 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. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow.

Back home, economic recovery continues to be delayed by Covid-19 as cases surge throughout the country. From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand.

ESG funds have also been gathering plenty of interest and we will expect this investor shift to ESG-focused funds to be more commonplace across the industry. The Biden administration's foray into building stronger climate change initiatives also signals a shift for the investment industry as this will generate more opportunities across asset classes. The wider implications of this on the economy will take time to materialise, but will continue to be observed.

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 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 30 June 2021. 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.

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

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
16 August 2021

TRADEPLUS S&P NEW CHINA TRACKER

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

TRADEPLUS S&P NEW CHINA TRACKER

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

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TRADEPLUS S&P NEW CHINA TRACKER

UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

	<u>Note</u>	6 months financial period ended <u>30.6.2021</u> HKD	6 months financial period ended <u>30.6.2020</u> HKD
INVESTMENT (LOSS)/INCOME			
Dividend income		365,710	203,969
Net loss on foreign currency exchange		(7,217)	(4,194)
Net (loss)/gain on financial asset at fair value through profit or loss	8	(2,861,745)	1,557,525
		<u>(2,503,252)</u>	<u>1,757,300</u>
EXPENSES			
Management fee	4	(189,645)	(61,418)
Trustee fee	5	(15,172)	(4,913)
Auditors' remuneration		(20,828)	(20,885)
Tax agent's fee		(3,471)	(3,482)
Transaction and custody fee		(78,461)	5,083
Licence fee	6	(45,789)	(31,819)
Other expenses		(34,985)	(32,614)
		<u>(388,351)</u>	<u>(150,048)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(2,891,603)	1,607,252
Taxation	7	-	-
NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD		<u><u>(2,891,603)</u></u>	<u><u>1,607,252</u></u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		(662,987)	859,374
Unrealised amount		(2,228,616)	747,878
		<u><u>(2,891,603)</u></u>	<u><u>1,607,252</u></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

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	<u>Note</u>	<u>2021</u> HKD	<u>2020</u> HKD
ASSETS			
Cash and cash equivalents		380,952	358,279
Amount due from brokers		749,839	642,460
Dividend receivables		119,313	51,533
Financial asset at fair value through profit or loss	8	95,389,025	22,281,827
Prepayment of license fee		36,518	46,421
TOTAL ASSETS		<u>96,675,647</u>	<u>23,380,520</u>
LIABILITIES			
Amount due to brokers		368,793	451,760
Amount due to Manager - management fee		37,082	9,232
Amount due to Trustee		2,967	739
Auditors' remuneration		21,689	21,893
Tax agent's fee		10,927	10,482
Other payables and accruals		6,252	4,956
TOTAL LIABILITIES		<u>447,710</u>	<u>499,062</u>
NET ASSET VALUE OF THE FUND		<u>96,227,937</u>	<u>22,881,458</u>
EQUITY			
Unitholders' capital		87,227,185	18,424,984
Retained earnings		9,000,752	4,456,474
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>96,227,937</u>	<u>22,881,458</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>6,155,000</u>	<u>1,835,000</u>
NET ASSET VALUE PER UNIT (HKD)		<u>15.6341</u>	<u>12.4695</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

UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

	Unitholders' <u>capital</u> HKD	Retained <u>earnings</u> HKD	<u>Total</u> HKD
Balance as at 1 January 2021	40,989,034	11,892,355	52,881,389
Total comprehensive loss for the financial period	-	(2,891,603)	(2,891,603)
Movement in unitholders' capital:			
Creation of units arising from applications	46,238,151	-	46,238,151
Balance as at 30 June 2021	<u>87,227,185</u>	<u>9,000,752</u>	<u>96,227,937</u>
Balance as at 1 January 2020	23,685,955	2,849,222	26,535,177
Total comprehensive income for the financial period	-	1,607,252	1,607,252
Movement in unitholders' capital:			
Creation of units arising from applications	3,345,040	-	3,345,040
Cancellation of units	(8,606,011)	-	(8,606,011)
Balance as at 30 June 2020	<u>18,424,984</u>	<u>4,456,474</u>	<u>22,881,458</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

UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

<u>Note</u>	6 months financial period ended <u>30.6.2021</u> HKD	6 months financial period ended <u>30.6.2020</u> HKD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	22,593,683	10,474,461
Purchase of investments	(71,459,263)	(5,001,867)
Dividends received	247,142	152,436
Management fee paid	(170,804)	(63,215)
Trustee fee paid	(12,205)	(5,056)
License fee paid	(117)	(78,240)
Net realised loss on foreign currency exchange	(15,874)	(30,583)
Payment for other fees and expenses	(154,697)	(48,723)
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(48,972,135)	5,399,213
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	46,238,151	3,345,040
Payments for cancellation of units	(1,459)	(8,606,011)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	46,236,692	(5,260,971)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
	(2,735,443)	138,242
EFFECTS OF FOREIGN CURRENCY EXCHANGE		
	3,194	(4,185)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		
	3,113,201	224,222
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		
	380,952	358,279
	<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents as at 30 June 2021 and 30 June 2020 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 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

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 – 2021 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 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

B INCOME RECOGNITION

Dividend income

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income 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 equities, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

C TRANSACTION COSTS

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

D TAXATION

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

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

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.

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FOREIGN CURRENCY TRANSLATION

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

TRADEPLUS S&P NEW CHINA TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

G 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 contractual cash flows of the Fund's debt securities are solely principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

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

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

(ii) Recognition and measurement

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

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

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

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

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

TRADEPLUS S&P NEW CHINA TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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 period 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.

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.

TRADEPLUS S&P NEW CHINA TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

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 period.

H 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.

I AMOUNTS DUE FROM/(TO) BROKERS

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers balance is held for collection. Refer to Note G for accounting policy on recognition and measurement.

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

Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

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 period if unitholder exercises the right to put the unit back to the Fund.

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

TRADEPLUS S&P NEW CHINA TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

However, the Manager is of the opinion that there are no accounting policies which require significant judgment to be exercised.

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's Guidelines on Exchange-Traded Fund.

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

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 26.2 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 16 August 2021.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	<u>Note</u>	At amortised cost HKD	At fair value through profit or loss HKD	<u>Total</u> HKD
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents		380,952	-	380,952
Amount due from brokers		749,839	-	749,839
Dividend receivables		119,313	-	119,313
Quoted equities	8	-	95,389,025	95,389,025
Prepayment of license fee		36,518	-	36,518
Total		<u>1,286,622</u>	<u>95,389,025</u>	<u>96,675,647</u>

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

Financial instruments of the Fund are as follows: (continued)

	<u>Note</u>	At amortised cost HKD	At fair value through profit or loss HKD	<u>Total HKD</u>
<u>2021 (continued)</u>				
<u>Financial liabilities</u>				
Amount due to brokers		368,793	-	368,793
Amount due to Manager				
- management fee		37,082	-	37,082
Amount due to Trustee		2,967	-	2,967
Auditors' remuneration		21,689	-	21,689
Tax agent's fee		10,927	-	10,927
Other payables and accruals		6,252	-	6,252
Total		<u>447,710</u>	<u>-</u>	<u>447,710</u>
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents		358,279	-	358,279
Amount due from brokers		642,460	-	642,460
Dividend receivables		51,533	-	51,533
Quoted equities	8	-	22,281,827	22,281,827
Prepayment of license fee		46,421	-	46,421
Total		<u>1,098,693</u>	<u>22,281,827</u>	<u>23,380,520</u>
<u>Financial liabilities</u>				
Amount due to brokers		451,760	-	451,760
Amount due to Manager				
- management fee		9,232	-	9,232
Amount due to Trustee		739	-	739
Auditors' remuneration		21,893	-	21,893
Tax agent's fee		10,482	-	10,482
Other payables and accruals		4,956	-	4,956
Total		<u>499,062</u>	<u>-</u>	<u>499,062</u>

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.

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

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>2021</u> HKD	<u>2020</u> HKD
Quoted investments		
Quoted equities	95,389,025	22,281,827

The following table summarises the sensitivity of the Fund's (loss)/profit after taxation and net asset value ("NAV") to price risk movements. The analysis is based on the assumptions that the market price increased by 10% (2020: 10%) and decreased by 10% (2020: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

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

<u>% Change in benchmark index</u>	<u>Market value</u> HKD	Impact on (loss)profit after <u>tax/NAV</u> HKD
<u>2021</u>		
-10%	85,850,122	(9,538,903)
0%	95,389,025	-
+10%	104,927,928	9,538,903
<u>2020</u>		
-10%	20,053,644	(2,228,183)
0%	22,281,827	-
+10%	24,510,010	2,228,183

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

Market risk (continued)

(b) Currency risk

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

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

	<u>Quoted equities</u> HKD	<u>Cash and cash equivalents</u> HKD	<u>Other assets*</u> HKD	<u>Total</u> HKD
<u>2021</u>				
<u>Financial assets</u>				
Chinese Yuan	-	-	60,247	60,247
United States Dollar	17,497,631	918	569,860	18,068,409
	<u>17,497,631</u>	<u>918</u>	<u>630,107</u>	<u>18,128,656</u>
<u>2020</u>				
<u>Financial assets</u>				
Chinese Yuan	-	-	6,651	6,651
United States Dollar	7,766,597	14,175	642,460	8,423,232
	<u>7,766,597</u>	<u>14,175</u>	<u>649,111</u>	<u>8,429,883</u>
			<u>Amount due to brokers</u> HKD	<u>Total</u> HKD
<u>Financial liabilities</u>				
United States Dollar			451,760	451,760
			<u>451,760</u>	<u>451,760</u>

* Other assets consist of amount due from brokers and dividend receivables.

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

Market risk (continued)

(b) Currency risk (continued)

The table below summarises the sensitivity of the Fund's (loss)/profit after taxation and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 10% (2020: 10%), with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding increase/(decrease) in the net assets attributable to unitholders by approximately 10% (2020: 10%). Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on (loss)profit after tax/NAV HKD
<u>2021</u>		
Chinese Yuan	+/- 10	+/- 6,025
United States Dollar	+/- 10	+/- 1,806,841
<u>2020</u>		
Chinese Yuan	+/- 10	+/- 665
United States Dollar	+/- 10	+/- 797,147

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

Credit risk

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

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

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

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

	Cash and cash <u>equivalents</u> HKD	Other <u>assets*</u> HKD	<u>Total</u> HKD
<u>2021</u>			
Consumer Discretionary			
- NR	-	377,897	377,897
Consumer Staples			
- NR	-	36,592	36,592
Energy			
- NR	-	2,800	2,800
Financial Services			
- AAA	380,952	-	380,952
Health Care			
NR	-	54,203	54,203
Industrials			
- NR	-	333,744	333,744
Insurance			
- NR	-	51,688	51,688
Real Estate			
- NR	-	2,104	2,104
Telecommunications			
- NR	-	10,124	10,124
Others			
- NR	-	36,518	36,518
Total	<u>380,952</u>	<u>905,670</u>	<u>1,286,622</u>

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

Credit risk (continued)

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

	Cash and cash <u>equivalents</u> HKD	Other <u>assets*</u> HKD	<u>Total</u> HKD
<u>2020</u>			
Consumer Discretionary			
- NR	-	26,630	26,630
Consumer Staples			
- NR	-	301,113	301,113
Financial Services			
- AAA	358,279	-	358,279
- NR	-	8,832	8,832
Industrials			
- NR	-	37,924	37,924
Technology			
- NR	-	230,451	230,451
Telecommunications			
- NR	-	4,500	4,500
Health Care			
- NR	-	84,543	84,543
Others			
- NR	-	46,421	46,421
Total	<u>358,279</u>	<u>740,414</u>	<u>1,098,693</u>

* Other assets consist of amount due from brokers, dividend receivables and prepayment of license fee.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of 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 UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES 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>one year</u> HKD	<u>Total</u> HKD
<u>2021</u>			
Amount due to brokers	368,793	-	368,793
Amount due to Manager			
- management fee	37,082	-	37,082
Amount due to Trustee	2,967	-	2,967
Auditor's remuneration	-	21,689	21,689
Tax agent's fee	-	10,927	10,927
Other payables and accruals	-	6,252	6,252
	<u>408,842</u>	<u>38,868</u>	<u>447,710</u>
<u>2020</u>			
Amount due to brokers	451,760	-	451,760
Amount due to Manager			
- management fee	9,232	-	9,232
Amount due to Trustee	739	-	739
Auditor's remuneration	-	21,893	21,893
Tax agent's fee	-	10,482	10,482
Other payables and accruals	-	4,956	4,956
	<u>461,731</u>	<u>37,331</u>	<u>499,062</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 UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (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.

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>2021</u>				
Financial asset at fair value through profit or loss				
- quoted equities	95,389,025	-	-	95,389,025

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (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: (continued)

2020

Financial asset at fair value

through profit or loss

- quoted equities	22,281,827	-	-	22,281,827
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Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. The Fund does not adjust the quoted prices for these instruments.

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

4 MANAGEMENT FEE

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

For the 6 months financial period ended 30 June 2021, management fee is recognised at a rate of 0.50% (2020: 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.

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 6 months financial period ended 30 June 2021, the Trustee fee is recognised at a rate of 0.04% (2020: 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 recognized above.

6 LICENSE FEE

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

For the 6 months financial period ended 30 June 2021, the license fee is recognised at minimum of USD10,000 per annum or 0.05% (2020: 0.05%) of the average daily asset under management, whichever is higher.

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

7 TAXATION

	6 months financial period ended <u>30.6.2021</u> HKD	6 months financial period ended <u>30.6.2020</u> HKD
Current taxation – foreign	-	-

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

	6 months financial period ended <u>30.6.2021</u> HKD	6 months financial period ended <u>30.6.2020</u> HKD
Net (loss)/profit before taxation	<u>(2,891,603)</u>	<u>1,607,252</u>
Tax at Malaysian statutory rate of 24% (2020: 24%)	(693,985)	385,740
Tax effects of:		
Investment loss exempted from tax/(investment income not subject to tax)	600,781	(421,751)
Expenses not deductible for tax purposes	42,540	16,020
Restriction on tax deductible expenses for Exchange-Traded Fund	50,664	19,991
	<u>-</u>	<u>-</u>

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> HKD	<u>2020</u> HKD
Financial assets at fair value through profit or loss:		
- quoted equities – foreign	<u>95,389,025</u>	<u>22,281,827</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised (loss)/gain on sale of investments	(629,935)	805,462
- unrealised (loss)/gain on changes in fair value	<u>(2,231,810)</u>	<u>752,063</u>
	<u>(2,861,745)</u>	<u>1,557,525</u>

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

(a) Quoted equities – foreign

(i) Quoted equities – foreign as at 30 June 2021 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 Discretionary</u>				
Air China Ltd	12,000	85,160	68,400	0.07
Alibaba Group Holding Ltd	44,800	9,316,720	9,856,000	10.24
ANTA Sports Products Ltd	7,400	779,242	1,352,720	1.41
Brilliance China Auto Holdings Ltd	18,000	127,227	130,140	0.14
BYD Co Ltd	4,400	719,611	1,021,680	1.06
China MeiDong Auto Hldgs Ltd	3,400	130,530	143,990	0.15
China Southern Airlines Co Ltd	10,600	48,795	51,092	0.05
Chow Tai Fook Jewellery Group	13,800	229,392	244,260	0.25
Galaxy Entertainment Group Ltd	13,600	821,443	845,240	0.88
Geely Automobile Holdings Ltd	34,300	718,379	838,635	0.87
Great Wall Motor Co Ltd	19,100	290,196	479,410	0.50
Guangzhou Automobile Gp Co Ltd	17,200	135,083	119,712	0.12
Haidilao Intl Holding	5,000	201,250	204,500	0.21
Haier Smart Home Co Ltd	15,600	371,110	421,980	0.44
Hengan Intl Group Co Ltd	4,300	240,769	223,600	0.23
JD.com Inc	12,550	3,606,100	3,830,260	3.98
JS Global Lifestyle Co Ltd	6,500	140,175	141,700	0.15
Kingsoft Corp Ltd	6,200	268,750	288,610	0.30
Li Ning Company Ltd	13,700	623,917	1,297,390	1.35
Man Wah Holdings Ltd	8,600	166,848	160,304	0.17
Mint Group Ltd	4,000	150,800	147,200	0.15
MTR Corp Ltd	10,000	441,089	431,500	0.45
NetEase Inc	14,500	2,420,990	2,550,550	2.65
New Oriental Education & Technology Group	13,300	784,700	849,870	0.88
Ping An Healthcare & Tech Co Ltd	3,900	371,336	375,570	0.39
Sands China Ltd	16,400	580,561	536,280	0.56
Shenzhou Intl Group Holdings	5,300	758,685	1,039,330	1.08
Tongcheng-Elong Holdings Ltd	7,400	147,420	143,708	0.15
Zhongsheng Group Holdings Ltd	3,400	174,973	219,640	0.23
	<u>349,250</u>	<u>24,851,251</u>	<u>28,013,271</u>	<u>29.11</u>
<u>Energy</u>				
China Longyuan Power Group	20,200	189,088	270,276	0.28
<u>Financial Services</u>				
China Youzan Ltd	101,500	252,365	149,205	0.16

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 30 June 2021 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 Staples</u>				
China Feihe Ltd	21,500	401,428	359,910	0.37
China Mengniu Dairy Co Ltd	18,500	684,680	865,800	0.90
China Resources Beer Holdings	8,000	383,700	556,800	0.58
Nongfu Spring Co Ltd	10,900	524,080	424,555	0.44
Sinopharm Group Co Ltd	9,400	230,711	216,670	0.23
Smooere International Holdings	13,300	760,575	571,900	0.60
Tingyi (Cayman Islds) Hldg Co	11,900	166,917	184,450	0.19
Tsingtao Brewery Co Ltd	2,800	221,820	233,940	0.24
Want Want China Holdings Ltd	40,900	238,024	224,950	0.23
WH Group Ltd	57,600	394,273	402,048	0.42
Yihai International Holding Ltd	3,000	193,700	156,450	0.16
	<u>197,800</u>	<u>4,199,908</u>	<u>4,197,473</u>	<u>4.36</u>
<u>Health Care</u>				
Akeso Inc	3,900	233,325	243,945	0.25
Alibaba Health Information Technology Ltd	29,300	540,055	503,960	0.52
China Medical System Holdings	8,800	184,360	179,520	0.19
CSPC Pharmaceutical Group Ltd	61,640	492,205	692,834	0.72
Evergrande Health Industry Grp	18,000	629,834	515,700	0.54
Genscript Biotech Corp	6,000	187,200	202,800	0.21
Hangzhou Tigermed Consulting	800	131,070	145,600	0.15
Hansoh Pharmaceutical Group Co	7,200	233,190	244,440	0.25
Hygeia Healthcare Holdings Co	1,500	148,935	152,850	0.16
Innovent Biologics Inc	6,000	367,196	543,300	0.57
Jinxin Fertility Group Ltd	7,800	162,120	152,724	0.16
Microport Scientific Corp	4,000	192,100	278,400	0.29
Pharmaron Beijing Co Ltd	800	113,640	165,600	0.17
Shandong Weigao Group Medical	14,400	189,965	260,928	0.27
Shanghai Fosun Pharmaceutical	3,900	137,150	244,530	0.25
Shanghai Pharmaceuticals Holdings	5,800	97,904	98,368	0.10
Sino Biopharmaceutical Ltd	73,100	507,468	556,291	0.58
WuXi AppTec Co Ltd	2,500	282,790	452,500	0.47
Wuxi Biologics Cayman Inc	21,500	1,865,100	3,057,300	3.18
	<u>276,940</u>	<u>6,695,607</u>	<u>8,691,590</u>	<u>9.03</u>

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 30 June 2021 is as follows (continued):

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost HKD</u>	<u>Fair value HKD</u>	<u>Percentage of NAV %</u>
<u>Hong Kong (continued)</u>				
<u>Industrials</u>				
AIA Group Ltd	84,500	7,499,531	8,154,250	8.47
China Life Insurance Co. Ltd	51,300	885,877	790,020	0.82
	<u>135,800</u>	<u>8,385,408</u>	<u>8,944,270</u>	<u>9.29</u>
<u>Insurance</u>				
China Pacific Insurance Group	20,000	594,336	489,000	0.51
China Taiping Insurance Hldgs	10,100	146,941	130,290	0.14
Fuyao Glass Industry Co Ltd	3,700	161,653	202,020	0.21
JD Logistics Inc	5,700	234,185	241,110	0.25
New China Life Insurance Co Lt	5,500	167,298	145,475	0.15
People's Insurance Co Group CN	51,300	139,133	132,867	0.14
PICC Property & Casualty Co Ltd	43,700	305,638	296,286	0.31
Ping An Insurance Grp Co China	38,500	3,330,321	2,927,925	3.04
ZhongAn Online P&C Ins Co Ltd	3,400	136,510	149,260	0.16
	<u>181,900</u>	<u>5,216,015</u>	<u>4,714,233</u>	<u>4.91</u>
<u>Real Estate</u>				
Country Garden Services Hdg Co	12,000	711,650	1,006,800	1.05
Greentown Service Group Co Ltd	11,800	137,769	142,072	0.15
	<u>23,800</u>	<u>849,419</u>	<u>1,148,872</u>	<u>1.20</u>
<u>Technology</u>				
China Literature Ltd	2,100	147,236	181,230	0.19
Chinasoft International Ltd	13,000	173,201	183,820	0.19
GDS Holdings Ltd	6,100	457,765	468,480	0.49
Kingdee Intl Software Grp Co	17,700	421,427	465,510	0.48
Kuaishou Technology	5,600	1,051,680	1,090,880	1.13
Meituan Dianping	28,300	6,929,295	9,061,660	9.41
Ming Yuan Cloud Group Hdg Ltd	3,700	140,970	142,450	0.15
Tencent Holdings Ltd	15,500	8,438,049	9,052,000	9.41
Weimob Inc	11,700	200,816	200,070	0.21
	<u>103,700</u>	<u>17,960,439</u>	<u>20,846,100</u>	<u>21.66</u>

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 30 June 2021 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>				
BYD Electronic Intl Co Ltd	4,200	196,248	214,200	0.22
China Tower Corp Ltd	306,100	425,911	327,527	0.34
HKT Trust & HKT Ltd	24,200	266,686	255,552	0.27
ZTE Corporation	4,900	97,204	118,825	0.12
	<u>339,400</u>	<u>986,049</u>	<u>916,104</u>	<u>0.95</u>
<u>United States</u>				
<u>Consumer Discretionary</u>				
Bilibili Inc	1,470	1,124,876	1,390,157	1.44
Huazhu Group Ltd	994	369,493	407,217	0.42
IQIYI Inc	2,133	338,987	258,044	0.27
LI Auto Inc	876	207,126	237,663	0.25
Melco Resorts & Entertainment	1,410	208,694	181,307	0.19
NIO Inc	8,320	2,699,929	3,434,985	3.57
Pinduoduo Inc	2,360	2,159,031	2,327,474	2.42
TAL Education Group	3,743	1,328,467	732,993	0.76
Trip.com Group Ltd	3,466	936,032	954,069	0.99
Vipshop Holdings Ltd	2,787	499,453	434,762	0.45
XPeng Inc	967	318,941	333,158	0.35
	<u>28,526</u>	<u>10,191,029</u>	<u>10,691,829</u>	<u>11.11</u>
<u>Consumer Staples</u>				
RLX Technology Inc	5,972	390,624	404,363	0.42
<u>Health Care</u>				
BeiGene Ltd	275	612,926	732,828	0.76
Legend Biotech Corporation	432	133,482	137,364	0.14
Zai Lab Ltd	516	513,408	708,781	0.74
	<u>1,223</u>	<u>1,259,816</u>	<u>1,578,973</u>	<u>1.64</u>
<u>Industrials</u>				
ZTO Express Cayman Inc	3,246	722,465	764,966	0.79

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 30 June 2021 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	421	301,240	209,086	0.22
Baidu Inc	1,937	2,914,535	3,064,367	3.18
JOYY Inc Depositary Receipt	383	246,627	196,191	0.20
Tencent Music Entertainment Gp	3,538	497,367	425,269	0.44
Weibo Corp	398	154,150	162,587	0.17
	<u>6,677</u>	<u>4,113,919</u>	<u>4,057,500</u>	<u>4.21</u>
Total quoted equities – foreign	<u>1,775,934</u>	<u>86,263,402</u>	<u>95,389,025</u>	<u>99.12</u>
Accumulated unrealised gain on quoted equities – foreign		<u>9,125,623</u>		
Total quoted equities – foreign		<u>95,389,025</u>		

(ii) Quoted equities – foreign as at 30 June 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	2,900	117,692	198,360	0.87
Brilliance China Auto Hdgs Ltd	8,000	62,147	55,520	0.24
BYD Co Ltd	1,500	71,520	89,700	0.39
China Feihe Ltd	8,000	124,160	124,000	0.54
China Mengniu Dairy Co Ltd	7,500	193,364	222,000	0.97
China Resources Beer Holdings	4,000	115,300	172,800	0.76
Geely Automobile Holdings Ltd	13,000	174,539	158,340	0.69
Great Wall Motor Co Ltd	8,000	45,003	38,640	0.17
Guangzhou Automobile Gp Co Ltd	8,000	69,200	44,640	0.20
Haier Electronics Group Co Ltd	4,000	88,200	93,800	0.41
Hengan Intl. Grp Co Ltd	2,500	149,958	151,625	0.66
Li Ning Company Ltd	6,000	104,440	147,000	0.64
Shenzhou Intl Group Holdings	1,900	180,952	177,365	0.77
Tingyi (Cayman Islands) Hldg Co	6,000	80,400	72,120	0.31
Vitasoy International Holdings	4,000	146,000	118,600	0.52

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 30 June 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 Goods (continued)</u>				
Want Want China Holdings Ltd	18,000	111,159	105,300	0.46
WH Group Ltd	26,500	190,620	175,695	0.77
Xinyi Glass Holdings Co Ltd	6,000	56,340	56,880	0.25
Yihai International Holding Lt	1,000	46,850	79,450	0.35
Zhongsheng Group Holdings Ltd	1,000	41,500	42,900	0.19
	<u>137,800</u>	<u>2,169,344</u>	<u>2,324,735</u>	<u>10.16</u>
<u>Consumer Services</u>				
Air China Ltd	6,000	46,360	27,720	0.12
China Southern Airlines Co Ltd	4,000	14,120	13,720	0.06
Galaxy Entertainment Group Ltd	7,400	385,853	389,980	1.70
Haidilao International Holding	3,000	89,750	97,800	0.43
Meituan Dianping	9,700	731,029	1,667,430	7.29
MTR Corp Ltd	4,000	176,446	160,000	0.70
Sands China Ltd	6,400	232,366	194,560	0.85
Sun Art Retail Group Ltd	6,500	82,940	86,060	0.38
	<u>47,000</u>	<u>1,758,864</u>	<u>2,637,270</u>	<u>11.53</u>
<u>Financials</u>				
AIA Group Ltd	30,100	2,204,613	2,171,715	9.49
China Life Insurance Co. Ltd	18,200	344,885	283,920	1.24
China Pacific Insurance Group	6,800	183,793	140,420	0.61
Country Garden Services Hdg Co	4,000	104,400	143,800	0.63
New China Life Insurance Co Lt	2,000	63,269	51,800	0.23
People's Insurance Co Group CN	19,000	59,237	42,750	0.19
PICC Property & Casualty Co Ltd	18,000	148,955	115,020	0.50
Ping An Insurance Grp Co China	14,700	1,156,503	1,137,780	4.97
	<u>112,800</u>	<u>4,265,655</u>	<u>4,087,205</u>	<u>17.86</u>
<u>Health Care</u>				
CSPC Pharmaceutical Group Ltd	16,400	175,966	240,096	1.05
Hansoh Pharmaceutical Group Co	2,000	47,600	72,900	0.32
Innovent Biologics Inc	2,500	67,875	143,625	0.63
Shandong Weigao Group Medical	8,000	70,720	137,920	0.60
Shanghai Fosun Pharmaceutical	1,500	36,325	38,850	0.17

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 30 June 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 (continued)</u>				
Sino Biopharmaceutical Ltd	17,500	134,725	255,500	1.12
Sinopharm Group Co Ltd	3,600	118,758	71,424	0.31
WuXi AppTec Co Ltd	600	41,850	60,180	0.26
Wuxi Biologics Cayman Inc	1,500	101,825	212,700	0.93
	<u>53,600</u>	<u>795,644</u>	<u>1,233,195</u>	<u>5.39</u>
<u>Technology</u>				
Alibaba Health Information Tec	9,500	69,879	214,225	0.94
China Tower Corp Ltd	128,000	251,558	175,360	0.77
Kingdee Intl Software Grp Co	6,000	96,120	108,120	0.47
Kingsoft Corp Ltd	2,000	63,500	72,000	0.31
Tencent Holdings Ltd	5,050	1,790,197	2,516,920	11.00
ZTE Corporation	2,000	36,623	47,300	0.21
	<u>152,550</u>	<u>2,307,877</u>	<u>3,133,925</u>	<u>13.70</u>
<u>Telecommunications</u>				
China Mobile Ltd	15,200	1,117,323	793,440	3.47
China Telecom Corp Ltd	42,000	161,287	90,300	0.39
China Unicom Hong Kong Ltd	16,000	142,627	67,040	0.29
HKT Trust & HKT Ltd	10,000	119,346	113,200	0.50
	<u>83,200</u>	<u>1,540,583</u>	<u>1,063,980</u>	<u>4.65</u>
<u>Utilities</u>				
Huaneng Power Intl Inc.	12,000	59,160	34,920	0.15
<u>United States</u>				
<u>Consumer Goods</u>				
NIO Inc	1,323	76,187	79,063	0.35

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 30 June 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 (continued)</u>				
<u>Consumer Services</u>				
58.com Inc	248	118,714	103,648	0.45
Alibaba Group Holding Ltd	1,298	1,776,528	2,170,327	9.49
Bilibili Inc	207	68,812	74,239	0.33
Huazhu Group Ltd	290	76,021	78,786	0.35
IQIYI Inc	705	112,799	126,612	0.55
JD.com Inc	2,234	529,726	1,042,066	4.55
Melco Resorts & Entertainment	537	85,983	64,557	0.28
New Oriental Education & Tech	306	219,201	308,882	1.35
Pinduoduo Inc	937	299,855	623,432	2.72
TAL Education Group	939	280,199	497,976	2.18
Trip.com Group Ltd	1,145	282,997	229,772	1.00
Vipshop Holdings Ltd	1,030	83,726	158,873	0.69
	<u>9,876</u>	<u>3,934,561</u>	<u>5,479,170</u>	<u>23.94</u>
<u>Health Care</u>				
BeiGene Ltd	70	78,333	102,129	0.45
Zai Lab Ltd	119	72,577	75,690	0.33
	<u>189</u>	<u>150,910</u>	<u>177,819</u>	<u>0.78</u>
<u>Industrials</u>				
ZTO Express Cayman Inc	1,135	190,214	322,954	1.41
<u>Technology</u>				
Autohome Inc	143	87,246	83,673	0.37
Baidu Inc	707	801,078	656,393	2.87
GDS Holdings Ltd	187	76,126	115,347	0.50
JOYY Inc Depository Receipt	133	67,610	91,265	0.40
Momo Inc	429	101,155	58,124	0.25
NetEase Inc	178	382,198	592,409	2.59
Tencent Music Entertainment Gp	1,058	111,686	110,380	0.48
	<u>2,835</u>	<u>1,627,099</u>	<u>1,707,591</u>	<u>7.46</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 30 June 2020 is as follows (continued):

<u>Name of counters</u>	<u>Quantity</u>	Aggregate cost HKD	Fair value HKD	Percentage of NAV %
Total quoted equities – foreign	614,308	18,876,098	22,281,827	97.38
Accumulated unrealised gain on quoted equities – foreign		3,405,729		
Total quoted equities – foreign		22,281,827		

9 NUMBER OF UNITS IN CIRCULATION

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial period	3,335,000	2,300,000
Creation of units arising from applications during the financial period	2,820,000	300,000
Cancellation of units during the financial period	-	(765,000)
At the end of the financial period	6,155,000	1,835,000

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

10 TRANSACTIONS WITH BROKERS

- (i) Details of transactions with the top brokers for the 6 months financial period ended 30 June 2021 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> %
Affin Hwang Investment Bank Bhd	19,836,735	20.84	9,720	18.61
Macquarie Bank Ltd Hong Kong	17,373,847	18.26	6,121	11.72
China International Capital Corporation HK Securities	14,371,998	15.10	8,060	15.43
CIMB Investment Bank Bhd	12,424,751	13.06	12,425	23.79
RHB Investment Bank Bhd	11,327,121	11.90	5,619	10.76
Kenanga Investment Bank Bhd	11,136,716	11.70	5,569	10.66
CMB International Securities Ltd	8,694,946	9.14	4,716	9.03
	<u>95,166,114</u>	<u>100.00</u>	<u>52,230</u>	<u>100.00</u>

- (ii) Details of transactions with the top brokers for the 6 months financial period ended 30 June 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	4,524,541	27.35	1,807	22.87
JP Morgan Securities Plc	4,512,860	27.27	2,708	34.28
CLSA Ltd	4,494,658	27.17	2,247	28.44
Macquarie Capital Securities Ltd	1,810,130	10.94	657	8.32
Macquarie Bank Limited Hong Kong Branch	1,203,685	7.27	481	6.09
	<u>16,545,874</u>	<u>100.00</u>	<u>7,900</u>	<u>100.00</u>

Included in the transactions with brokers are trades in the stockbroking industry with Affin Hwang Investment Bank Bhd, companies related to the Manager amounting to HKD19,836,735 (2020: HKDNil). The Manager is of the opinion that all transactions with the related company have been entered into agreed terms between the related parties.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationships</u>
Lembaga Tabung Angkatan Tentera (“LTAT”)	Ultimate holding corporate body of the Manager
Affin Bank Berhad (“ABB”)	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements

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

	<u>2021</u>		<u>2020</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>7,817,050</u>	<u>500,000</u>	<u>6,234,750</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

12 MANAGEMENT EXPENSE RATIO (“MER”)

	6 months financial period ended <u>30.6.2021</u> %	6 months financial period ended <u>30.6.2020</u> %
MER	<u>0.35</u>	<u>0.49</u>

MER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	License 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 6 months financial period calculated on a daily basis was HKD76,427,121 (2020: HKD24,701,785).

13 PORTFOLIO TURNOVER RATIO (“PTR”)

	6 months financial period ended <u>30.6.2021</u>	6 months financial period ended <u>30.6.2020</u>
PTR (times)	<u>0.63</u>	<u>0.32</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = HKD71,828,056 (2020: HKD5,453,627)
total disposal for the financial period = HKD23,967,994 (2020: HKD10,280,885)

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

14 SEGMENT INFORMATION

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

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

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

The Fund has a diversified unitholder population. However, as at 30 June 2021, there were 4 unitholders (2020: 4 unitholders) who held more than 10% of the Fund's NAV. The unitholders' holdings were 24.35%, 14.42% 13.22% and 13.08% (2020: 19.43%, 17.17%, 15.87% and 11.61%).

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

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

15 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

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 of the Manager, the financial statements set out on pages 1 to 34 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 June 2021 and of its financial performance, changes in equity and cash flows for the financial period ended 30 June 2021 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
16 August 2021

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