

TradePlus

S&P New China Tracker

Semi-Annual Report
30 June 2022

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



AFFIN HWANG
CAPITAL

MANAGER
Affin Hwang Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
TMF Trustees Malaysia Berhad
(200301008392 [610812-W])

TRADEPLUS S&P NEW CHINA TRACKER

Semi-Annual Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 30 June 2022

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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

FUND PERFORMANCE DATA

Category	As at 30 Jun 2022	As at 30 Jun 2021	As at 30 Jun 2020
Portfolio composition (%)			
Quoted equities – foreign			
- Health Care	6.41	10.67	6.17
- Consumer Discretionary	38.82	40.22	-
- Consumer Staples	6.87	4.78	-
- Consumer Goods	-	-	10.51
- Consumer Services	-	-	35.47
- Energy	0.56	0.28	-
- Financial services	16.21	0.16	17.86
- Industrials	2.02	10.08	1.41
- Insurance	-	4.91	-
- Real Estate	-	1.20	-
- Technology	24.24	25.87	21.16
- Telecommunications	1.07	0.95	4.65
- Utilities	1.09	-	0.15
Total quoted equities – foreign (%)	97.29	99.12	97.38
Cash & cash equivalent (%)	2.71	0.88	2.62
Total (%)	100.00	100.00	100.00
Country Allocation (%)			
Hong Kong	91.2	80.95	63.44
United States	6.09	18.17	33.94
Cash	2.71	0.88	2.62
Total (%)	100.00	100.00	100.00
Total NAV (HKD 'million)	98.660	96.228	22.881
NAV per Unit (in HKD)	10.1346	15.6341	12.4695
Unit in Circulation (million)	9.735	6.155	1.835
Highest NAV per unit	11.6592	19.4069	12.7402
Lowest NAV per unit	7.3052	14.7353	9.2570
Return of the Fund (%) ⁱⁱⁱ	-8.90	-1.40	8.08
- Capital Growth (%) ⁱ	-8.90	-1.40	8.08
- Income Distribution (%) ⁱⁱ	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil
Management Expense Ratio (%) ¹	0.35	0.35	0.49
Portfolio Turnover Ratio (times) ²	0.21	0.63	0.32
Tracking Error	0.48	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 unchanged during the financial period.

² The Fund's PTR was lower than previous year due to lower 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 2022.

Performance Review

For the period 1 January 2022 to 30 June 2022, the Fund registered a -8.90% return compared to the benchmark return of -9.50%. The Fund thus outperformed the Benchmark by 0.60%. The Net Asset Value ("NAV") of the Fund as at 30 June 2022 was HKD98,659,871.84 (HKD10.1346 per unit) while the NAV as at 31 December 2021 was HKD90,280,223.93 (HKD11.1251 per unit).

Since commencement, the Fund has registered a return of 3.86% compared to the benchmark return of 6.56%, underperforming by 2.70%.

Table 1: Performance of the Fund

	6 Months (1/1/22 - 30/6/22)	1 Year (1/7/21 - 30/6/22)	3 Years (1/7/19 - 30/6/22)	Since Commencement (24/1/19 - 30/6/22)
Fund	(8.90%)	(35.18%)	(3.19%)	3.86%
Benchmark	(9.50%)	(36.19%)	(1.60%)	6.56%
Outperformance	0.60%	1.01%	(1.59%)	(2.70%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/7/21 - 30/6/22)	3 Years (1/7/19 - 30/6/22)	Since Commencement (24/1/19 - 30/6/22)
Fund	(35.18%)	(1.07%)	1.11%
Benchmark	(36.19%)	(0.53%)	1.87%
Outperformance	1.01%	(0.54%)	(0.76%)

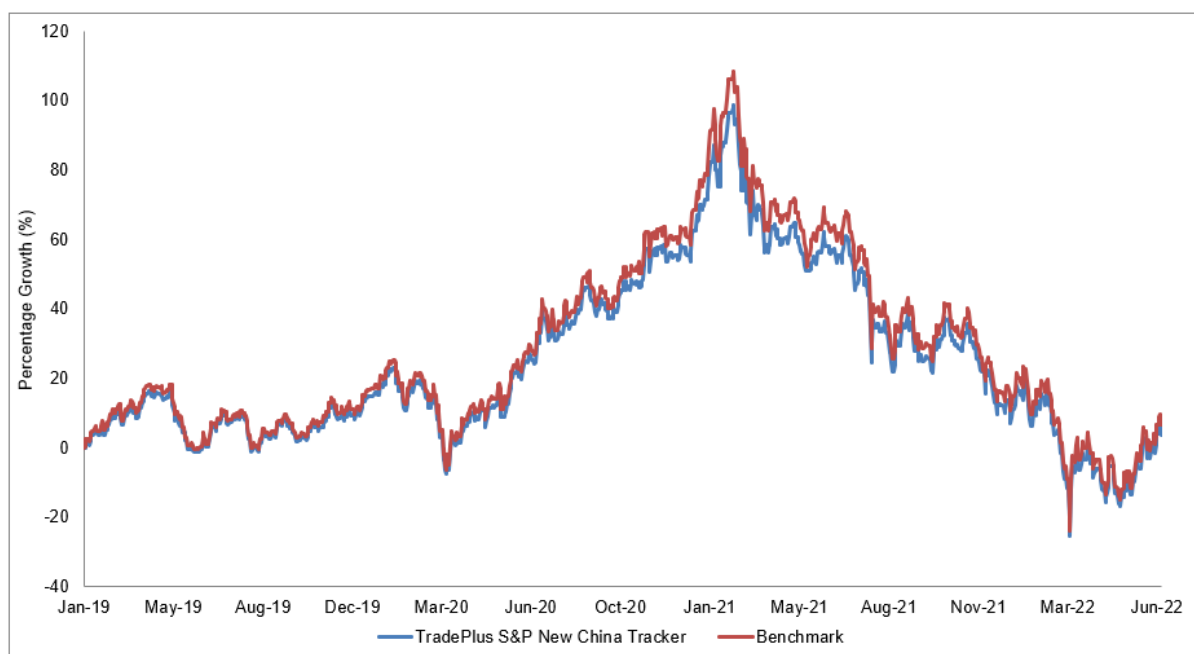
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/1/21 - 31/12/21)	FYE 2020 (1/1/20 - 31/12/20)	FYE 2019 (24/1/19 - 31/12/19)
Fund	(29.84%)	40.85%	15.37%
Benchmark	(30.14%)	43.60%	17.37%
Outperformance	0.30%	(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 2022, the ETF's asset allocation stood at 97.29% 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 2022, the Fund's AUM stood at HKD98.660 million, with 97.29% of the Fund's NAV invested into equities.

Market Review

Uncertainty has been an ongoing theme in economies and markets. At the start of the year, investment markets started to take seriously the potential implications of a change in monetary policy direction as inflationary pressures showed little signs of abating. Market volatility then spiked further after US Federal Reserve (Fed) Chairmen Powell's testimony suggested that asset price deflation would not be a reason to ease off rate normalisation. The 75 basis points (bps) rate hike in June by the Fed was a clear indication that Central Bank priorities have shifted to addressing inflationary pressures. Whilst some factors driving inflation could be temporary as a result of supply chain issues or the Ukraine conflict, there is also a recognition that the period of loose monetary policy to stimulate the economy during the pandemic has created a foundation for higher inflation.

Although global equities started 2022 on a strong note due to policy easing, equity markets saw notable retracement, potentially heading towards a bear market by the second half of the year. With decreasing

optimism over the growth outlook, more defensive business models are being valued, as both Healthcare and Consumer Staples outperformed during both June and the second quarter of 2022. However, the global equity markets in general saw a selloff in June with the Morgan Stanley Capital International All Country World Index (MSCI AC World) declining 8.6% in June.

Real GDP growth for US in the first quarter was weaker than expected, falling 1.4% on an annualized basis. The weakness can be largely attributed to a decline in the real trade deficit, lower government spending and a decrease in fiscal stimulus that was initiated to improve spending during the pandemic. Economic data showed sign of weakening while inflationary pressures continued to prompt the Federal Reserve into a more aggressive stance on interest rate hikes. However, domestic demand continues to be resilient, with personal consumption expenditures up 2.7% on an annualized basis.

In the Eurozone, equities continue to decline in the second quarter as the conflict between Ukraine and Russia persist, further placing upward pressure on inflation – annual eurozone inflation reached 8.6% in June, an increase from 8.1% in May. The sectors that performed best included energy due to continued strong demand and communication services given their defensive profile. Information technology, consumer discretionary and real estate fared weaker as these sectors tend to be affected by supply chain disruptions and concerns over consumer confidence the most.

China went through a sharp slowdown in April and May this year due to strict lockdown in major cities in the country. However, as Covid-19 restrictions relaxed, economic data reflected a positive picture due to economic stimulus from tax and government fee reductions in addition to increasing local government bond issuance with the aim to fund spending. Given the low valuation, Chinese equities was only one of the few markets ending the month of June on a positive return, with the CSI300 up 9.6% in the month and outperforming the Standard & Poor's 500 (S&P 500) by 10 percentage points. The Chinese Yuan also experienced some sharp depreciation during the first quarter of 2022 as the 2-year US Treasury yield rose above its Chinese equivalent. It has however recovered slightly as we head into the second half of the year.

Asia equities registered a negative return in the second quarter. Investors were increasingly downbeat as rising global inflation and supply chain issues could tip the economy into a recession. Expectations of higher interest rates and the still ongoing conflict between Russia and Ukraine also weakened investor sentiment. Taiwan performed worst in terms of index market as major electronics manufacturers and chip slumped due to concerns that rising inflation and soaring energy prices will continue to weaken investor sentiment toward the market.

Bond yields continued to rise in June 2022 as central bank hawkishness increased, resulting in further negative returns in an environment of continued high inflation and expectations of significant interest rate hikes. US consumer price inflation accelerated to 9.1% year on year in June. Corporate bonds garnered negative total returns and underperformed government bonds in general.

Over the first half of the year, we saw energy prices continue to outperform the broader market. However, investors have become increasingly concerned over the impact rising commodity prices will have on consumer spending and economic activity in general. The concerns were warranted as the Materials and Energy sector experienced notable corrections, though Energy remained the best performing sector over the second quarter.

On the domestic front, the KLCI fell by 8.02% in June, its sharpest monthly decline since the start of the pandemic in March 2020. The decline can be attributed to pessimistic global market sentiment over concerns of inflation and tightening monetary policies potentially coaxing the economy into a recession. In terms of trade, Malaysia continued to see a strong performance through June 2022 with a value of RM270.4 billion, a 43.4% growth from a year ago. Exports expanded 38.8% while imports grew 49.3%.

Investment Outlook

2022 is set to be a year of transition for markets as investors continue to contend with normalization of growth rates and monetary policy tightening. Both equities and bonds are down year-to-date as uncertain policy outlooks, an energy shock and weak growth outlook in China continue to stir markets. With the most impactful effects of the pandemic likely behind us, peak policy support and with it peak GDP growth during the pandemic era also likely realized in 2021. We expect to see a lot of crosswinds and periods of transition especially with regards to policy.

The Russia-Ukraine tension is also weighing on sentiments. With continued disruptions to supply chains, the conflict is contributing to inflationary pressures and it is no surprise that commodities are on track to outperform equities for the second consecutive year. However, history suggest that market impact from geopolitical events tend to be short. We expect markets to shift the focus back to tighter monetary conditions and slowing growth moving forward.

The inversion of the US yield curve and whether it is an accurate predictor of a recession has been widely discussed as of late. Whilst a recession is not inevitable in our view, we are increasingly of the opinion that economic growth will likely slow materially in the coming months as consumers adjust to rapidly rising costs. Although the default response to decelerating growth in recent years by central banks is to increase liquidity, this is much less likely this time as battling inflation is seen as a more pressing matter.

Back home, we believe that it will be a stock picker's market for local investors as Bursa languishes behind other regional peers. With foreign shareholding at an all-time low, much of the exuberance have faded especially on the back of a strong US dollar environment which makes emerging markets like Malaysia unattractive. Though, we view that domestic market will not be susceptible to sudden foreign outflows and that the direction of the market will be influenced more by local players that have grown massively in size and are looking for opportunities to deploy.

On inflection points, we see retreating inflation and an easing of Russia-Ukraine tension as potential turnarounds for the market to improve.

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

As per the requirements of the Securities Commission's Guidelines on Exchange-Traded Funds and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the –

- (i) goods and services provided are of demonstrable benefit to Unit holders of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assists in the decision making process.

During the financial period under review, the Fund has received soft commissions from brokers/dealers who have also executed trades for other funds managed by Affin Hwang Asset Management. The soft commissions were utilised for goods and services in the form of research materials, data and quotation services, investment-related publications, market data feed, industry benchmarking agencies and investment-related publications to assist the Manager in the investment decision-making process. The soft commission received were for the benefit of the fund and there were no churning of trades.

Cross Trade

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

Securities Financing Transactions

The Fund has not undertaken any securities lending or repurchase transactions during the financial year under review.

Changes Made To the Fund's Prospectus

There were no changes made to the Fund's prospectus during the financial year under review.

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 UNIT HOLDERS OF TRADEPLUS S&P NEW CHINA TRACKER (“Fund”)

We have acted as Trustee of the Fund for the financial period ended 30 June 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Affin Hwang Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Exchange-traded Funds;
2. Valuation and pricing is carried out in accordance with the Deed; and
3. Any creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement

For TMF Trustees Malaysia Berhad
(Company No.: (200301008392 [610812-W]))

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
Date: 16 August 2022

TRADEPLUS S&P NEW CHINA TRACKER

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022

TRADEPLUS S&P NEW CHINA TRACKER

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022

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TRADEPLUS S&P NEW CHINA TRACKER

UNAUDITED SEMI-ANNUAL STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022

	<u>Note</u>	6 months financial period ended <u>30.6.2022</u> HKD	6 months financial period ended <u>30.6.2021</u> HKD
INVESTMENT LOSS			
Dividend income		738,728	365,710
Net gain/(loss) on foreign currency exchange		509	(7,217)
Net loss on financial asset at fair value through profit or loss	8	(7,224,231)	(2,861,745)
		<u>(6,484,994)</u>	<u>(2,503,252)</u>
EXPENSES			
Management fee	4	(224,550)	(189,645)
Trustee fee	5	(17,964)	(15,172)
Auditors' remuneration		(21,535)	(20,828)
Tax agent's fee		(3,589)	(3,471)
Transaction and custody fee		(77,960)	(78,461)
Licence fee	6	(25,366)	(45,789)
Other expenses		(49,838)	(34,985)
		<u>(420,802)</u>	<u>(388,351)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(6,905,796)	(2,891,603)
Taxation	7	(28,848)	-
NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u>(6,934,644)</u>	<u>(2,891,603)</u>
Net loss after taxation is made up of the following:			
Realised amount		(3,530,391)	(662,987)
Unrealised amount		(3,404,253)	(2,228,616)
		<u>(6,934,644)</u>	<u>(2,891,603)</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 SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	<u>Note</u>	<u>2022</u> HKD	<u>2021</u> HKD
ASSETS			
Cash and cash equivalents		2,525,475	380,952
Amount due from brokers		-	749,839
Dividend receivables		211,108	119,313
Financial asset at fair value through profit or loss	8	95,986,423	95,389,025
Prepayment of license fee		42,947	36,518
TOTAL ASSETS		<u>98,765,953</u>	<u>96,675,647</u>
LIABILITIES			
Amount due to brokers		-	368,793
Amount due to Manager - management fee		39,404	37,082
Amount due to Trustee		3,152	2,967
Auditors' remuneration		23,237	21,689
Tax agent's fee		11,513	10,927
Tax provision		20,490	-
Other payables and accruals		8,285	6,252
TOTAL LIABILITIES		<u>106,081</u>	<u>447,710</u>
NET ASSET VALUE OF THE FUND		<u>98,659,872</u>	<u>96,227,937</u>
EQUITY			
Unitholders' capital		128,409,301	87,227,185
(Accumulated losses)/Retained earnings		(29,749,429)	9,000,752
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>98,659,872</u>	<u>96,227,937</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>9,735,000</u>	<u>6,155,000</u>
NET ASSET VALUE PER UNIT (HKD)		<u>10.1346</u>	<u>15.6341</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 SEMI-ANNUAL STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022

	Unitholders' <u>capital</u> HKD	(Accumulated losses)/ Retained <u>earnings</u> HKD	<u>Total</u> HKD
Balance as at 1 January 2022	113,095,009	(22,814,785)	90,280,224
Total comprehensive loss for the financial period	-	(6,934,644)	(6,934,644)
Movement in unitholders' capital:			
Creation of units arising from applications	23,002,285	-	23,002,285
Cancellation of units	(7,687,993)	-	(7,687,993)
Balance as at 30 June 2022	<u>128,409,301</u>	<u>(29,749,429)</u>	<u>98,659,872</u>
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>

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 SEMI-ANNUAL STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022

	6 months financial period ended <u>30.6.2022</u> HKD	6 months financial period ended <u>30.6.2021</u> HKD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	10,281,304	22,593,683
Purchase of investments	(23,807,920)	(71,459,263)
Dividends received	531,172	247,142
Management fee paid	(224,245)	(170,804)
Trustee fee paid	(17,940)	(12,205)
License fee paid	(78,489)	(117)
Net realised gain/(loss) on foreign currency exchange	34,678	(15,874)
Tax paid	(8,358)	-
Payment for other fees and expenses	(167,931)	(154,697)
	<hr/>	<hr/>
Net cash flows (used in)/generated from operating activities	(13,457,729)	(48,972,135)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	23,002,285	46,238,151
Payments for cancellation of units	(7,687,993)	(1,459)
	<hr/>	<hr/>
Net cash flows generated from financing activities	15,314,292	46,236,692
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	1,856,563	(2,735,443)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		
	(369)	3,194
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		
	669,281	3,113,201
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		
	<u>2,525,475</u>	<u>380,952</u>

Cash and cash equivalents as at 30 June 2022 and 30 June 2021 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 2022

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:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest Rate Benchmark (IBOR) Reform – Phase 2’ (effective 1 January 2021) provide practical expedient allowing entities to update the effective interest rate (insert as applicable: for instruments measured at amortised cost, lessees and insurers applying the temporary exemption from MFRS 9) to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss.

The amendments require entities to update the hedge documentation to reflect the changes required by the IBOR replacement. The amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform.

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 2022 (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 investments, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

C TRANSACTION COSTS

Transaction costs are costs in relation to any particular transaction or dealing, all stamp duty and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies, and other duties and charges whether in connection with the Fund Assets or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Fund Assets or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing. 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, except when deferred in other comprehensive income as qualifying cash flow hedges.

TRADEPLUS S&P NEW CHINA TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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 that represent SPPI.

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 2022 (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's financial assets measured at amortised cost are subject to expected credit losses. 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 2022 (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 2022 (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.

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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022

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 2022.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	<u>Note</u>	At amortised <u>cost</u> HKD	At fair value through <u>profit or loss</u> HKD	<u>Total</u> HKD
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents		2,525,475	-	2,525,475
Dividend receivables		211,108	-	211,108
Quoted equities	8	-	95,986,423	95,986,423
Prepayment of license fee		42,947	-	42,947
Total		<u>2,779,530</u>	<u>95,986,423</u>	<u>98,765,953</u>

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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</u> HKD
<u>2022 (continued)</u>				
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		39,404	-	39,404
Amount due to Trustee		3,152	-	3,152
Auditors' remuneration		23,237	-	23,237
Tax agent's fee		11,513	-	11,513
Other payables and accruals		8,285	-	8,285
Total		<u>85,591</u>	<u>-</u>	<u>85,591</u>
<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>
<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>

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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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>2022</u> HKD	<u>2021</u> HKD
Quoted investments		
Quoted equities	95,986,423	95,389,025

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 36.61% (2021: 10%) and decreased by 36.61% (2021: 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 tax/NAV HKD
<u>2022</u>		
-36.61%	60,845,794	(35,140,629)
0%	95,986,423	-
+36.61%	131,127,052	35,140,629
<u>2021</u>		
-10%	85,850,122	(9,538,903)
0%	95,389,025	-
+10%	104,927,928	9,538,903

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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>2022</u>				
<u>Financial assets</u>				
Chinese Yuan	-	-	52,832	52,832
United States Dollar	5,993,149	2,350,324	2,253	8,345,726
	<u>5,993,149</u>	<u>2,350,324</u>	<u>55,085</u>	<u>8,398,558</u>
<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>

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

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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% (2021: 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% (2021: 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>2022</u>		
Chinese Yuan	+/- 10	+/- 5,283
United States Dollar	+/- 10	+/-834,573
<u>2021</u>		
Chinese Yuan	+/- 10	+/- 6,025
United States Dollar	+/- 10	+/- 1,806,841

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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>2022</u>			
Consumer Discretionary			
- NR	-	73,262	73,262
Consumer Staples			
- NR	-	32,863	32,863
Financial Services			
- AAA	2,525,475	17,340	2,542,815
Health Care			
NR	-	37,640	37,640
Industrials			
- NR	-	720	720
Technology			
- NR	-	16,378	16,378
Telecommunications			
- NR	-	32,905	32,905
Others			
- NR	-	42,947	42,947
Total	<u>2,525,475</u>	<u>254,055</u>	<u>2,779,530</u>

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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):

	<u>Cash and cash equivalents</u> HKD	<u>Other 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>

* 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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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>2022</u>			
Amount due to Manager			
- management fee	39,404	-	39,404
Amount due to Trustee	3,152	-	3,152
Auditor's remuneration	-	23,237	23,237
Tax agent's fee	-	11,513	11,513
Other payables and accruals	-	8,285	8,285
	<u>42,566</u>	<u>43,035</u>	<u>85,591</u>
<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>

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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTINUED)

3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is defined as 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>2022</u>				
Financial asset at fair value through profit or loss				
- quoted equities	95,986,423	-	-	95,986,423

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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)

2021

Financial asset at fair value

through profit or loss

- quoted equities	95,389,025	-	-	95,389,025
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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 2022, management fee is recognised at a rate of 0.50% (2021: 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 2022, the Trustee fee is recognised at a rate of 0.04% (2021: 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 2022, the license fee is recognised at minimum of USD10,000 per annum or 0.05% (2021: 0.05%) of the average daily asset under management, whichever is higher.

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTINUED)

7 TAXATION

	6 months financial period ended <u>30.6.2022</u> HKD	6 months financial period ended <u>30.6.2021</u> HKD
Current taxation	28,848	-

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>30.6.2022</u> HKD	6 months financial period ended <u>30.6.2021</u> HKD
Net (loss)/profit before taxation	(6,934,644)	(2,891,603)
Tax at Malaysian statutory rate of 24% (2021: 24%)	(1,664,314)	(693,985)
Tax effects of:		
Investment loss exempted from tax/(investment income not subject to tax)	1,556,398	600,781
Expenses not deductible for tax purposes	48,705	42,540
Restriction on tax deductible expenses for Exchange-Traded Fund	59,211	50,664
Foreign investment income subject to different tax rate	20,490	-
Withholding tax	8,358	-
Tax expense	28,848	-

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> HKD	<u>2021</u> HKD
Financial assets at fair value through profit or loss:		
- quoted equities – foreign	95,986,423	95,389,025
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised (loss)/gain on sale of investments	(3,820,347)	(629,935)
- unrealised (loss)/gain on changes in fair value	(3,403,884)	(2,231,810)
	(7,224,231)	(2,861,745)

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTINUED)

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

(a) Quoted equities – foreign

(i) Quoted equities – foreign as at 30 June 2022 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 Discretionery</u>				
Air China Ltd	18,000	115,280	122,580	0.12
Alibaba Group Holding Ltd	89,700	14,715,858	10,037,430	10.17
ANTA Sports Products Ltd	12,000	1,340,732	1,156,800	1.17
Brilliance China Automotive	18,000	127,227	130,140	0.13
BYD Co Ltd	7,900	1,581,474	2,480,600	2.51
Chow Tai Fook Jewellery Group	24,200	379,504	357,192	0.36
Galaxy Entertainment Group Ltd	21,600	1,184,326	1,009,800	1.02
Geely Automobile Holdings Ltd	59,500	1,182,707	1,060,290	1.08
Great Wall Motor Co Ltd	31,600	614,431	510,024	0.52
Guangzhou Automobile Gp Co Ltd	29,200	216,983	221,628	0.22
Haier Smart Home Co Ltd	27,600	698,708	800,400	0.81
JD.com Inc	21,000	5,960,904	5,308,800	5.38
Kingsoft Corp Ltd	9,200	359,450	281,520	0.29
Li Auto Inc.	5,000	541,715	764,000	0.77
Li Ning Company Limited	25,200	1,495,605	1,830,780	1.86
NetEase Inc	24,000	3,754,673	3,456,000	3.50
Pop Mart International Grp Ltd	6,600	293,048	249,480	0.25
Sands China Ltd	25,200	746,312	471,240	0.48
Shenzhou Intl Group Holdings	9,600	1,301,832	912,480	0.93
Trip.com Group Limited	5,500	980,160	1,218,800	1.24
XPeng Inc.	6,800	1,022,259	858,840	0.87
Zhongsheng Group Holdings Ltd	6,400	351,760	354,240	0.36
	<u>483,800</u>	<u>38,964,948</u>	<u>33,593,064</u>	<u>34.04</u>
<u>Consumer Staples</u>				
China Feihe Ltd	31,500	504,439	284,130	0.29
China Mengniu Dairy Co Ltd	33,500	1,310,880	1,311,525	1.33
China Resources Beer Holdings	16,000	834,300	935,200	0.95
Hengan Intl. Grp Co Ltd	6,800	346,719	250,240	0.25
JD Health International Inc	10,700	659,891	658,585	0.67
Nongfu Spring Co Ltd	20,300	913,240	913,500	0.93
Sinopharm Group Co Ltd	14,200	321,079	270,084	0.27
Smoores International Holdings	18,100	856,836	437,115	0.44

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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 2022 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 (continued)</u>				
Tingyi (Cayman Islds) Hldg Co	22,900	319,017	307,776	0.31
Tsingtao Brewery Co Ltd	4,800	338,620	391,680	0.40
Want Want China Holdings Ltd	73,000	536,550	497,130	0.50
WH Group Ltd	86,100	541,498	520,905	0.53
	<u>337,900</u>	<u>7,483,069</u>	<u>6,777,870</u>	<u>6.87</u>
<u>Energy</u>				
China Longyuan Power Group	36,200	435,068	548,792	0.56
<u>Financial Services</u>				
AIA Group Ltd	118,000	10,362,841	10,030,000	10.17
China Life Insurance Co. Ltd	78,300	1,216,211	1,068,012	1.08
China Pacific Insurance Group	27,800	734,794	533,204	0.54
New China Life Insurance Co Lt	7,600	207,711	167,580	0.17
PICC Property & Casualty Co Ltd	73,700	523,678	600,655	0.61
Ping An Insurance Grp Co China	67,400	4,946,726	3,595,790	3.64
	<u>372,800</u>	<u>17,991,961</u>	<u>15,995,241</u>	<u>16.21</u>
<u>Health Care</u>				
BeiGene Ltd	7,800	1,176,115	767,910	0.78
CSPC Pharmaceutical Group Ltd	91,640	772,288	713,876	0.72
Genscript Biotech Corp	12,000	371,450	341,400	0.35
Hangzhou Tigermed Consulting	1,200	177,615	108,840	0.11
Innovent Biologics Inc	11,000	621,996	383,900	0.39
Pharmaron Beijing Co Ltd	1,950	177,180	152,880	0.15
Shandong Weigao Group Medical	27,200	326,469	247,792	0.25
Shanghai Fosun Pharmaceutical	5,900	215,050	171,395	0.17
Shanghai Junshi Biosciences Co	1,000	45,230	42,050	0.04
Shanghai Pharmaceuticals Hdgs	10,000	132,952	130,000	0.13
Sino Biopharmaceutical Ltd	113,100	718,697	559,845	0.57

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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 2022 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>				
WuXi AppTec Co Ltd	3,900	475,355	407,550	0.41
Wuxi Biologics Cayman Inc	32,200	2,844,333	2,311,960	2.34
	<u>318,890</u>	<u>8,054,730</u>	<u>6,339,398</u>	<u>6.41</u>
<u>Industrials</u>				
Fuyao Glass Industry Co Ltd	6,100	266,793	242,475	0.25
MTR Corp Ltd	17,000	744,189	697,000	0.71
	<u>23,100</u>	<u>1,010,982</u>	<u>939,475</u>	<u>0.96</u>
<u>Technology</u>				
Baidu Inc	26,000	3,533,029	3,861,000	3.91
Bilibili Inc	1,940	674,667	389,940	0.40
GDS Holdings Ltd	10,800	665,328	355,860	0.36
Kingdee Intl Software Grp Co	29,700	681,417	546,480	0.55
Kuaishou Technology	15,000	1,752,718	1,311,000	1.33
Meituan	43,000	9,745,499	8,350,600	8.46
Tencent Holdings Ltd	25,000	11,823,171	8,860,000	8.98
	<u>151,440</u>	<u>28,875,829</u>	<u>23,674,880</u>	<u>23.99</u>
<u>Telecommunications</u>				
China Tower Corp Ltd	460,000	552,274	460,000	0.47
HKT Trust & HKT Ltd	42,000	439,320	442,680	0.45
ZTE Corporation	7,900	159,924	144,254	0.15
	<u>509,900</u>	<u>1,151,518</u>	<u>1,046,934</u>	<u>1.07</u>

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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 2022 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>Utilities</u>				
CGN Power Co Ltd	108,000	233,940	204,120	0.21
China Power Intl Devlpmt Ltd	100,000	485,600	497,000	0.50
China Resources Power Holdings	16,000	374,300	259,200	0.26
Huaneng Power Intl Inc.	30,000	140,620	117,300	0.12
	<u>254,000</u>	<u>1,234,460</u>	<u>1,077,620</u>	<u>1.09</u>
<u>United States</u>				
<u>Consumer Discretionery</u>				
Huazhu Group Ltd	1,452	507,954	434,126	0.44
NIO Inc	12,130	3,339,073	2,068,859	2.10
Pinduoduo Inc	3,900	2,745,989	1,891,797	1.92
Vipshop Holdings Ltd	4,009	581,016	311,059	0.32
	<u>21,491</u>	<u>7,174,032</u>	<u>4,705,841</u>	<u>4.78</u>
<u>Industrials</u>				
ZTO Express Cayman Inc	4,836	1,055,266	1,041,831	1.06
<u>Technology</u>				
Tencent Music Entertainment Gp	6,233	644,450	245,477	0.25
Total quoted equities - foreign	<u>2,520,590</u>	<u>114,076,313</u>	<u>95,986,423</u>	<u>97.29</u>
Accumulated unrealised loss on quoted equities – foreign		(18,089,890)		
Total quoted equities – foreign		<u>95,986,423</u>		

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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:

<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 Discretionery</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
Minth 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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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
Smoores International Holdings	13,300	760,575	571,900	0.60
Tingyi (Cayman Islands) 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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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 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>		

9 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial period	8,115,000	3,335,000
Creation of units arising from applications during the financial period	2,440,000	2,820,000
Cancellation of units during the financial period	(820,000)	-
At the end of the financial period	<u>9,735,000</u>	<u>6,155,000</u>

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NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTINUED)

10 TRANSACTIONS WITH BROKERS

- (i) Details of transactions with the top brokers for the 6 months financial period ended 30 June 2022 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> HKD	Percentage of total <u>trade</u> %	Brokerage <u>fees</u> HKD	Percentage of total <u>brokerage</u> %
CLSA Ltd	10,900,860	31.95	5,450	22.73
Alliance Bernstein (Singapore) Ltd	7,403,424	21.70	3,702	15.44
Macquarie Capital Securities Ltd	7,050,380	20.66	2,820	11.76
JP Morgan Securities (Asia Pacific) Ltd	5,084,864	14.90	3,051	12.72
China International Capital Corp HK Securities Ltd	3,683,524	10.79	8,955	37.35
	<u>34,123,052</u>	<u>100.00</u>	<u>23,978</u>	<u>100.00</u>

- (ii) 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	Percentage of total <u>trade</u> %	Brokerage <u>fees</u> HKD	Percentage of total <u>brokerage</u> %
Alliance Bernstein (Singapore) Ltd	19,836,735	20.84	9,720	18.61
Macquarie Capital Securities Ltd	17,373,847	18.26	6,121	11.72
China International Capital Corporation HK Securities	14,371,998	15.10	8,060	15.43
State Street Global Markets	12,424,751	13.06	12,425	23.79
CLSA Singapore Pte Ltd	11,327,121	11.90	5,619	10.76
CLSA Ltd	11,136,716	11.70	5,569	10.66
JP Morgan Securities (Asia Pacific) 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>

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NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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
Directors of Affin Hwang Asset Management Berhad	Directors of the Manager

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

	<u>2022</u>		<u>2021</u>	
	No. of units	HKD	No. of units	HKD
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held beneficially)	<u>500,000</u>	<u>5,067,300</u>	<u>500,000</u>	<u>7,817,050</u>

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTINUED)

12 MANAGEMENT EXPENSE RATIO (“MER”)

	6 months financial period ended <u>30.6.2022</u> %	6 months financial period ended <u>30.6.2021</u> %
MER	<u>0.35</u>	<u>0.35</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	=	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 HKD 90,575,021 (2021: HKD76,427,121).

13 PORTFOLIO TURNOVER RATIO (“PTR”)

	6 months financial period ended <u>30.6.2022</u>	6 months financial period ended <u>30.6.2021</u>
PTR (times)	<u>0.21</u>	<u>0.63</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 = HKD23,807,920 (2021: HKD71,828,056)

total disposal for the financial period = HKD14,135,451 (2021: HKD23,967,994)

TRADEPLUS S&P NEW CHINA TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (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 2022, there were 1 unitholders (2021: 4 unitholders) who held more than 10% of the Fund's NAV. The unitholders' holdings were 57.96% (2021: 24.35%, 14.42% 13.22% and 13.08%).

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 SUBSEQUENT EVENT

Change in corporate shareholding of Affin Hwang Asset Management Berhad

On 28 January 2022, Affin Bank Berhad announced that funds advised by CVC Capital Partners, a leading global private equity and investment advisory firm with approximately US\$125 billion of assets under management, has agreed to acquire approximately 68% of the equity interest in Affin Hwang Asset Management Berhad.

The Acquisition has been approved by Securities Commissions Malaysia on 1 July 2022, and upon completion of the Acquisition on 29 July 2022, Affin Hwang Asset Management Berhad has ceased to be a subsidiary of Affin Hwang Investment Bank Berhad.

TRADEPLUS S&P NEW CHINA TRACKER

STATEMENT BY THE MANAGER

I, Dato' 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 2022 and of its financial performance, changes in equity and cash flows for the financial period ended 30 June 2022 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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
16 August 2022

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