

LIPPO FUND SERIES

LIPPO SELECT HK & MAINLAND PROPERTY ETF

SEMI-ANNUAL FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

LIPPO FUND SERIES

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IMPORTANT:

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about the Lippo Fund Series, please refer to the prospectus of the Lippo Fund Series which is available at our website: <http://lippoetf.com/index.php/fund-info/>.

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

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ADMINISTRATION AND MANAGEMENT

Manager

Lippo Investments Management Limited
40/F, Tower Two
Lippo Centre, 89 Queensway
Hong Kong
Website: <http://www.lippo-im.com>

Directors of the Manager

Bruce Cheung Heung Wing
David Ng Tai Chiu
Ngan Man Kit (Appointed on 22 March 2021)

Trustee

BOCI-Prudential Trustee Limited
Suites 1501-1507 & 1513-1516
15/F, 1111 King's Road,
Taikoo Shing, Hong Kong

Custodian and Administrator

Bank of China (Hong Kong) Limited
14/F, Bank of China Tower
One Garden Road
Central, Hong Kong

Registrar

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Service Agent

HK Conversion Agency Services Limited
8/F, Two Exchange Square
8 Connaught Place
Central, Hong Kong

Legal Adviser to the Manager

King & Wood Mallesons
13th Floor, Gloucester Tower
The Landmark, 15 Queen's Road
Central, Hong Kong

Participating Dealers

Goldman Sachs (Asia) Securities Limited
68th Floor, Cheung Kong Center
2 Queen's Road
Central, Hong Kong

Credit Suisse Securities (Hong Kong) Limited
88th Floor, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Mirae Asset Securities (HK) Limited
Units 8501, 8507-08, Level 85, International
Commerce Centre, 1 Austin Road West, Kowloon,
Hong Kong (Appointed on 30 November 2020)

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central Hong Kong

**LIPPO FUND SERIES
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REPORT OF THE MANAGER

The dealing net asset value (“Dealing NAV”) of “The Lippo Select Hong Kong and Mainland Property Fund (“ETF”) as at the end of September 2021 was HKD 80.09 million and the Dealing NAV per unit was HKD68.1623. The ETF achieved a return of -19.7% (dealing NAV per unit) for the six month period to the end of September 2021.

The Fund Manager, Lippo Investments Management Limited has adopted the full replication strategy in managing the ETF. The objective of the full replication strategy is to match as closely as practically possible to the benchmark weightings of each constituent stock in the Lippo Select HK & Mainland Property Index.

As at the end of September 2021, the ETF had 52 constituent stocks with a total unadjusted market capitalization* of HKD1895.3billion.

(*) market capitalization is calculated by multiplying a company’s full issued shares by its last closing price.

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**STATEMENT OF NET ASSETS
AS AT 30 SEPTEMBER 2021 (UNAUDITED)**

	As at 30 September 2021 (unaudited) HK\$	As at 31 March 2021 (audited) HK\$
CURRENT ASSETS		
Investments	78,474,921	154,052,366
Dividends receivable	970,146	122,699
Cash and cash equivalents	689,611	757,063
TOTAL ASSETS	80,134,678	154,932,128
CURRENT LIABILITIES		
Management fee payable	43,970	93,588
TOTAL LIABILITIES	43,970	93,588
EQUITY		
Net assets attributable to unitholders	80,090,708	154,838,540
Number of units in issue	1,175,000	1,825,000
Net assets attributable to unitholders per unit	68.1623	84.8430

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

	30 September 2021 HK\$ (unaudited)	31 March 2021 HK\$ (audited)
INCOME		
Dividend income	5,303,169	7,158,910
Interest income	9	12
Net (loss)/gain on investments	(26,453,421)	17,014,792
Net foreign exchange losses	(346)	-
	<u>(21,150,589)</u>	<u>24,173,714</u>
	-----	-----
EXPENSES		
Transaction costs on investments	(72,438)	(123,164)
Management fee	(355,840)	(948,090)
	<u>(428,278)</u>	<u>(1,071,254)</u>
	-----	-----
(Loss)/profit before tax	(21,578,867)	23,102,460
Withholding tax	(52,662)	(61,469)
	<u>(21,631,529)</u>	<u>23,040,991</u>
	=====	=====

**LIPPO FUND SERIES
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**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

	30 September 2021	31 March 2021
	HK\$	HK\$
Balance at the beginning of the year	154,838,540	127,996,499
Subscription of units		
- Cash & cash components	-	3,801,050
Net subscription of units	<u>-</u>	<u>3,801,050</u>
Redemption of units		
- Cash & cash components	(53,116,303)	-
Net redemption/subSCRIPTION of units	<u>(53,116,303)</u>	<u>3,801,050</u>
Total comprehensive (loss)/income	<u>(21,631,529)</u>	<u>23,040,991</u>
Balance at the end of the year	<u>80,090,708</u>	<u>154,838,540</u>

	30 September 2021	31 March 2021
	Number of units	Number of units
Opening balance	1,825,000	1,775,000
Creation of units	-	50,000
Redemption of units	(650,000)	-
Unit in issue at the end of period/year	<u>1,175,000</u>	<u>1,825,000</u>

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Notes to the Financial Statements (Unaudited)

Basis of preparation

The unaudited interim financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2021, as described in Note 2 of the annual financial statements.

Investment limitations and prohibitions under the SFC Code

The SFC Code allows Lippo Select HK & Mainland Property ETF (the "Sub-Fund") to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net asset value provided that the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the Lippo Select HK & Mainland Property Index (the "Underlying Index") and the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the Underlying Index (except as a result of changes in the composition of the Underlying Index and the excess is transitional and temporary in nature).

As at 30 September 2021 and 31 March 2021, the Sub-Fund did not have any constituent securities that accounted for more than 10% of its net asset value.

During the period from 1 April 2021 to 30 September 2021, the Underlying Index decreased by 19.6% [31 March 2021 (audited): increased by 18.7.%], while the unaudited net asset value per unit of the Sub-Fund decreased by 19.7% [31 March 2021 (audited): increased by 17.7%].

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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 SEPTEMBER 2021

Listed investments	Holdings	Fair value HK\$	% of net assets
Equities			
AGILE GROUP HLDGS LTD	148,258	1,079,318	1.35%
A-LIVING SMART CITY SERVICES CO LTD-H	80,500	2,229,850	2.78%
C&D INTL INVESTMENT GROUP LTD	55,000	819,500	1.02%
CENTRAL CHINA REAL ESTATE LTD	130,928	196,392	0.25%
CHINA AOYUAN GROUP LTD	118,272	486,098	0.61%
CHINA JINMAO HLDGS GROUP LTD	1,038,000	2,906,400	3.63%
CHINA LOGISTICS PROPERTY HLDGS CO LTD	109,000	455,620	0.57%
CHINA OVERSEAS GRAND OCEANS GROUP LTD	215,116	1,026,103	1.28%
CHINA OVERSEAS LAND & INVESTMENT LTD	278,000	4,931,720	6.16%
CHINA RESOURCES LAND LTD	173,085	5,685,842	7.10%
CHINA SCE GROUP HLDGS LTD	212,898	581,212	0.73%
CHINA SOUTH CITY HLDGS LTD	712,000	469,920	0.59%
CHINA VANKE CO LTD-H	214,435	4,567,466	5.70%
CIFI HLDGS GROUP CO LTD	520,263	2,757,394	3.44%
COUNTRY GARDEN HLDGS CO LTD	579,181	4,662,407	5.82%
FANTASIA HLDGS GROUP CO LTD	217,668	121,894	0.15%
GEMDALE PROPERTIES AND INVESTMENT CORP LTD	834,267	700,784	0.87%
GREENLAND HONG KONG HLDGS LTD	105,013	204,775	0.26%
GREENTOWN CHINA HLDGS LTD	78,326	922,680	1.15%
GREENTOWN SERVICE GROUP CO LTD	204,000	1,713,600	2.14%
GUANGZHOU R&F PROPERTIES CO LTD-H	212,666	1,271,743	1.59%
HANG LUNG GROUP LTD	111,000	2,017,980	2.52%
HOPSON DEVELOPMENT HLDGS LTD	82,386	2,282,092	2.85%
K WAH INTL HLDGS LTD	177,306	560,287	0.70%
KAISA GROUP HLDGS LTD	396,772	841,157	1.05%
KERRY PROPERTIES LTD	73,318	1,506,685	1.88%
KWG GROUP HLDGS LTD	180,059	1,370,249	1.71%
LOGAN GROUP CO LTD	173,576	1,412,909	1.76%
LONGFOR GROUP HLDGS LTD	147,778	5,305,230	6.62%
LVGEM CHINA REAL ESTATE INVESTMENT CO LTD	192,000	351,360	0.44%
NEW WORLD DEVELOPMENT CO LTD	136,106	4,334,976	5.41%
POLY PROPERTY GROUP CO LTD	253,194	519,048	0.65%
POWERLONG REAL ESTATE HLDGS LTD	182,570	1,068,035	1.33%
REDCO PROPERTIES GROUP LTD	111,172	322,399	0.40%
ROAD KING INFRASTRUCTURE LTD	28,042	220,691	0.28%
RONSHINE CHINA HLDGS LTD	74,302	289,035	0.36%
SEAZEN GROUP LTD	272,537	1,697,906	2.12%
SHENZHEN INVESTMENT LTD	336,696	659,924	0.82%
SHIMAO GROUP HLDGS LTD	155,668	2,219,826	2.77%
SINO-OCEAN GROUP HLDG LTD	431,241	659,799	0.82%
SKYFAME REALTY HLDGS LTD	372,492	338,968	0.42%
SOHO CHINA LTD	261,500	541,305	0.68%
SUNAC CHINA HLDGS LTD	250,449	4,157,453	5.19%
TIMES CHINA HLDGS LTD	97,966	633,840	0.79%
YUEXIU PROPERTY CO LTD	174,507	1,277,391	1.59%
YUZHOU GROUP HLDGS CO LTD	277,669	319,319	0.40%
ZHENRO PROPERTIES GROUP LTD	275,000	1,168,750	1.46%
ZHUGUANG HLDGS GROUP CO LTD	272,000	476,000	0.59%
		74,343,330	92.80%

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**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 30 SEPTEMBER 2021**

Listed investments	Holdings	Fair value HK\$	% of net assets
REITS			
CHAMPION REAL ESTATE INVESTMENT TRUST	260,911	1,064,517	1.33%
FORTUNE REIT	184,739	1,429,880	1.79%
SUNLIGHT REAL ESTATE INVESTMENT TRUST	126,000	565,740	0.71%
YUEXIU REAL ESTATE INVESTMENT TRUST	292,747	1,071,454	1.35%
		4,131,591	5.18%
Total listed investments		78,474,921	97.98%
Total investments, at cost		84,617,774	

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

Investments	Beginning holdings as at 1 April 2021	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2021
AGILE GROUP HLDGS LTD	244,258	6,000	–	102,000	148,258
A-LIVING SMART CITY SERVICES CO LTD-H	-	88,500	–	8,000	80,500
C&D INTL INVESTMENT GROUP LTD	74,000	12,000	–	31,000	55,000
CENTRAL CHINA MANAGEMENT CO LTD	-	152,928	–	152,928	-
CENTRAL CHINA REAL ESTATE LTD	176,928	17,000	–	63,000	130,928
CENTRAL CHINA REAL ESTATE LTD-RIGHTS (EX 13MAY2021)	-	1,699	--	1,699	-
CHAMPION REAL ESTATE INVESTMENT TRUST	430,911	10,000	–	180,000	260,911
CHINA AOYUAN GROUP LTD	197,272	4,000	–	83,000	118,272
CHINA EVERGRANDE GROUP	414,000	-	–	414,000	-
CHINA JINMAO HLDGS GROUP LTD	-	1,160,000	–	122,000	1,038,000
CHINA LOGISTICS PROPERTY HLDGS CO LTD	136,000	30,000	–	57,000	109,000
CHINA MERCHANTS LAND LTD	306,086	-	–	306,086	-
CHINA OVERSEAS GRAND OCEANS GROUP LTD	357,116	8,000	–	150,000	215,116
CHINA OVERSEAS LAND & INVESTMENT LTD	-	352,000	–	74,000	278,000
CHINA RESOURCES LAND LTD	245,085	14,000	–	86,000	173,085
CHINA SCE GROUP HLDGS LTD	395,898	9,000	–	192,000	212,898
CHINA SCE GROUP HLDGS LTD-RIGHTS (EX 11JUN2021)	-	6,693	–	6,693	-
CHINA SOUTH CITY HLDGS LTD	1,180,000	26,000	–	494,000	712,000
CHINA VANKE CO LTD-H	287,635	30,600	–	103,800	214,435
CHINA VAST INDUSTRIAL URBAN DEVELOPMENT CO LTD	69,180	-	–	69,180	-
CIFI HLDGS GROUP CO LTD	856,263	22,000	–	358,000	520,263
COLOUR LIFE SERVICES GROUP CO LTD	106,235	-	–	106,235	-
COUNTRY GARDEN HLDGS CO LTD	940,181	-	–	361,000	579,181
FANTASIA HLDGS GROUP CO LTD	360,168	7,500	–	150,000	217,668
FORTUNE REIT	305,739	7,000	–	128,000	184,739
GEMDALE PROPERTIES AND INVESTMENT CORP LTD	1,376,267	36,000	–	578,000	834,267
GREENLAND HONG KONG HLDGS LTD	175,013	4,000	–	74,000	105,013
GREENTOWN CHINA HLDGS LTD	129,826	3,000	–	54,500	78,326
GREENTOWN SERVICE GROUP CO LTD	-	228,000	–	24,000	204,000
GUANGZHOU R&F PROPERTIES CO LTD-H	351,866	8,400	–	147,600	212,666
HANG LUNG GROUP LTD	185,000	4,000	–	78,000	111,000
HENDERSON LAND DEVELOPMENT CO LTD	257,102	-	–	257,102	-
HOPSON DEVELOPMENT HLDGS LTD	138,386	2,000	–	58,000	82,386
JIAYUAN INTL GROUP LTD	296,000	-	–	296,000	-
K WAH INTL HLDGS LTD	293,306	7,000	–	123,000	177,306
KAISA GROUP HLDGS LTD	511,676	173,096	–	288,000	396,772

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

Investments	Beginning holdings as at 1 April 2021	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2021
KAISA GROUP HLDGS LTD-RIGHTS (EX 01APR2021 TD 19APR-26APR2021)	-	73,096	-	73,096	--
KERRY PROPERTIES LTD	136,818	-	-	63,500	73,318
KWG GROUP HLDGS LTD	298,559	7,000	-	125,500	180,059
LOGAN GROUP CO LTD	287,576	6,000	-	120,000	173,576
LONGFOR GROUP HLDGS LTD	181,778	31,500	-	65,500	147,778
LVGEM CHINA REAL ESTATE INVESTMENT CO LTD	-	216,000	-	24,000	192,000
NEW WORLD DEVELOPMENT CO LTD	219,106	-	-	83,000	136,106
POLY PROPERTY GROUP CO LTD	420,194	9,000	-	176,000	253,194
POWERLONG REAL ESTATE HLDGS LTD	302,570	7,000	-	127,000	182,570
REDCO PROPERTIES GROUP LTD	221,172	-	-	110,000	111,172
ROAD KING INFRASTRUCTURE LTD	47,042	1,000	-	20,000	28,042
RONSHINE CHINA HLDGS LTD	122,802	3,000	-	51,500	74,302
SEAZEN GROUP LTD	452,537	10,000	-	190,000	272,537
SHENZHEN INVESTMENT LTD	556,696	14,000	-	234,000	336,696
SHIMAO GROUP HLDGS LTD	295,168	6,000	-	145,500	155,668
SHUI ON LAND LTD	756,462	-	-	756,462	-
SINO-OCEAN GROUP HLDG LTD	714,741	16,500	-	300,000	431,241
SKYFAME REALTY HLDGS LTD	496,492	84,000	-	208,000	372,492
SOHO CHINA LTD	433,500	-	-	172,000	261,500
SUNAC CHINA HLDGS LTD	289,449	64,000	-	103,000	250,449
SUNLIGHT REAL ESTATE INVESTMENT TRUST	209,000	5,000	-	88,000	126,000
TIMES CHINA HLDGS LTD	161,966	4,000	-	68,000	97,966
YUEXIU PROPERTY CO LTD	1,452,537	6,000	-	1,284,030	174,507
YUEXIU PROPERTY CO LTD-RIGHTS (EX 01JUN2021)	-	2,521	-	2,521	-
YUEXIU REAL ESTATE INVESTMENT TRUST	481,747	13,000	-	202,000	292,747
YUZHOU GROUP HLDGS CO LTD	415,766	55,903	-	194,000	277,669
ZHENRO PROPERTIES GROUP LTD	-	308,000	-	33,000	275,000
ZHUGUANG HLDGS GROUP CO LTD	450,000	10,000	-	188,000	272,000