

ChinaAMC Global ETF Series

**ChinaAMC Hang Seng Stock Connect
Hong Kong SmallCap Index ETF**

Annual Report

For the year ended
31 December 2021



华夏基金
ChinaAMC

ANNUAL REPORT

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap
Index ETF

(Stock Code: 03157)

(a sub-fund of ChinaAMC Global ETF Series)

For the year ended 31 December 2021

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF 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 Sub-Fund, please refer to the prospectus of the Sub-Fund which is available at our website: <http://www.chinaamc.com.hk/en/products/etf/hang-seng-stock-connect-hong-kong-smallcap/documents.html>.

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

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

MANAGEMENT AND ADMINISTRATION

Manager

China Asset Management (Hong Kong) Limited
37/F, Bank of China Tower
1 Garden Road
Central, Hong Kong

Directors of the Manager

Yang Minghui
Gan Tian
Li Yimei
Li Fung Ming

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road
Central, Hong Kong

Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

Conversion Agent

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

Listing Agent

Altus Capital Limited
21 Wing Wo Street
Central, Hong Kong

Legal Adviser to the Manager

Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

MANAGEMENT AND ADMINISTRATION (continued)

Participating Dealers

China International Capital Corporation Hong Kong
Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Guotai Junan Securities (Hong Kong) Limited
27/F, Low Block, Grand Millennium Plaza
181 Queen's Road
Central, Hong Kong

China Merchants Securities (HK) Co., Limited
48/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

Merrill Lynch Far East Limited
55/F, Cheung Kong Center
2 Queen's Road
Central, Hong Kong

CITIC Securities Brokerage (HK) Limited
26/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

UBS Securities Hong Kong Limited
42/F, One Exchange Square
Central, Hong Kong

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

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF (formerly known as ChinaAMC Hang Seng SmallCap Index ETF) (the “Sub-Fund”), a sub-fund of ChinaAMC Global ETF Series (the “Trust”), an umbrella unit trust established under Hong Kong law by a trust deed dated 17 September 2015, as amended or supplemented from time to time (the “Trust Deed”), between China Asset Management (Hong Kong) Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”). The Sub-Fund is a physical exchange-traded fund investing directly in underlying shares.

Its HKD counter (stock code: 03157) commenced trading on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 26 October 2015. The Sub-Fund is an index-tracking fund that seeks to track the performance of the Hang Seng Composite SmallCap Index (the “Index”), which was changed to Hang Seng Stock Connect Hong Kong SmallCap Index effective from 3 March 2017.

The Manager primarily uses a full replication strategy through investing directly in securities included in the index in substantially the same weightings in which they are included in the index. The Manager may also use a representative sampling strategy where it is not possible to acquire certain securities which are constituents of the index due to restrictions or limited availability. This means that the Sub-Fund will invest directly in a representative sample of securities that collectively has an investment profile that aims to reflect the profile of the index. The securities constituting the representative sample may or may not themselves be constituents of the index.

Performance of the Sub-Fund

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the index. There can be no assurance that the Sub-Fund will achieve its investment objective.

A summary of the performance of the Sub-Fund is shown below (Total Returns in respective currency¹²):

	1-Month	3-Month	Since Launch ³
The Index	-3.07%	-9.53%	27.24%
HKD Counter of the Sub-Fund (NAV-to-NAV)	-3.11%	-10.03%	10.59%
HKD Counter of the Sub-Fund (Market-to-Market)	-8.70%	-12.47%	8.67%

¹ Source: Bloomberg, as of 31 December 2021. Performances of Hang Seng Stock Connect Hong Kong SmallCap Index and the Sub-Fund are calculated in HKD.

² Past performance figures shown are not indicative of the future performance of the Sub-Fund.

³ The performance of the Sub-Fund prior to 3 March 2017 were achieved under circumstances that no longer apply. The underlying index was changed from the Hang Seng Composite SmallCap Index to the Hang Seng Stock Connect Hong Kong SmallCap Index on 3 March 2017.

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

Activities of the Sub-Fund

According to Bloomberg, the average daily trading volume of the Sub-Fund was approximately 1,962 units from 1 January 2021 to 31 December 2021. As of 31 December 2021, there were 2,000,000 units outstanding.

Activities of the Index

There were 7 rebalance for the Index from 1 January 2021 to 31 December 2021. As of 31 December 2021, the Sub-Fund comprised 156 constituent stocks in the Index.

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China Asset Management (Hong Kong) Limited
25 March 2022

Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, China Asset Management (Hong Kong) Limited, the Manager of ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF, a sub-fund of ChinaAMC Global ETF Series has, in all material respects, managed the Sub-Fund in accordance with the provisions of the trust deed dated 17 September 2015, as amended or supplemented from time to time, for the year ended 31 December 2021.

.....
HSBC Institutional Trust Services (Asia) Limited
25 March 2022

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

Manager's responsibilities

China Asset Management (Hong Kong) Limited (the "Manager"), the Manager of the ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF (the "Sub-Fund"), a sub-fund of ChinaAMC Global ETF Series (the "Trust"), is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code") and the trust deed dated 17 September 2015 (the "Trust Deed"), as amended or supplemented from time to time, to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of that period and of the transactions for the year then ended. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-Fund will continue in operation unless it is inappropriate to assume this.

The Manager is also required to manage the Sub-Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

The Trust is an umbrella unit trust governed by its Trust Deed. As at 31 December 2021, the Trust has established five sub-funds.

Trustee's responsibilities

The Trustee of the Sub-Fund is required to:

- ensure that the Sub-Fund is managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period on the conduct of the Manager in the management of the Sub-Fund.

Independent auditor's report

To the unitholders of ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF (a sub-fund of ChinaAMC Global ETF Series (the "Trust") and referred to as the "Sub-Fund") set out on pages 11 to 39 which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, the statement of changes in net assets attributable to unitholders and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial disposition of the Sub-Fund as at 31 December 2021, and of its financial transactions and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Sub-Fund in accordance with the *Code of Ethics for Professional Accountants* (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent auditor's report (continued)

To the unitholders of ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of financial assets at fair value through profit or loss	
<p>As at 31 December 2021, financial assets at fair value through profit or loss amounted to HKD50,401,322 which represented 98.95% of the net asset value of the Sub-Fund. These financial assets were listed shares on the Hong Kong Stock Exchange and there were 156 constituent listed shares in the Sub-Fund. They were held by one custodian and measured at fair value. We focused on this area because the financial assets at fair value through profit or loss represented the principal element of the financial statements and significant assumptions and judgements were involved in measuring the fair value of the suspended shares.</p> <p>Refer to disclosures on fair values of financial instruments in notes 11 to 12 to the financial statements.</p>	<p>We obtained independent confirmation from the custodian of the investment portfolio held at 31 December 2021, and agreed the quantities held to the Sub-Fund's accounting records. We evaluated the design and tested the operating effectiveness of financial instrument valuation controls. In addition, we tested the valuation of the financial assets at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets to third party sources at 31 December 2021.</p> <p>For suspended shares in which quoted prices cannot be obtained, we evaluated the valuation techniques and inputs applied through comparison with the valuation techniques that are commonly used in the market and the validation of observable inputs to external market data. In addition, we evaluated the appropriateness of the assumptions made by the Manager.</p> <p>We assessed the adequacy of disclosures relating to financial assets at fair value through profit or loss against the requirements of IFRS.</p>

Information other than the financial statements and auditor's report thereon

The Manager and the Trustee of the Sub-Fund are responsible for the other information. The other information comprises the information included in the annual report (the "Annual Report"), other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report (continued)

To the unitholders of ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

Responsibilities of the Manager and the Trustee for the financial statements

The Manager and the Trustee are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and the Trustee are responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and Trustee either intend to liquidate the Sub-Fund or to cease operations or have no realistic alternative but to do so.

In addition, the Manager and the Trustee of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 17 September 2015 (the "Trust Deed"), as amended or supplemented from time to time, and the relevant disclosure provisions of Appendix E of the *Code on Unit Trusts and Mutual Funds* (the "SFC Code") of the Hong Kong Securities and Futures Commission.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.

Independent auditor's report (continued)

To the unitholders of ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the Manager and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on matters under the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Wong Man Kin.

Certified Public Accountants
Hong Kong
25 March 2022

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

STATEMENT OF FINANCIAL POSITION

31 December 2021

	Notes	2021 HKD	2020 HKD
ASSETS			
Financial assets at fair value through profit or loss	11	50,401,322	54,370,341
Dividend receivables		17,745	9,945
Prepayment and other receivables		38,095	-
Cash and cash equivalents	7	994,064	1,078,167
TOTAL ASSETS		<u>51,451,226</u>	<u>55,458,453</u>
LIABILITIES			
Management fee payable	5(a)	21,581	22,309
Trustee and registrar fees payable	5(b)	50,958	50,821
Other payables and accruals		440,668	357,766
TOTAL LIABILITIES		<u>513,207</u>	<u>430,896</u>
EQUITY			
Net assets attributable to unitholders	13	<u>50,938,019</u>	<u>55,027,557</u>
TOTAL LIABILITIES AND EQUITY		<u>51,451,226</u>	<u>55,458,453</u>

The accompanying notes are an integral part of these financial statements.

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 HKD	2020 HKD
INCOME			
Dividend income		1,539,919	1,250,361
Interest income	5(e)	10	7
		<u>1,539,929</u>	<u>1,250,368</u>
EXPENSES			
Management fee	5(a)	(297,802)	(233,947)
Trustee and registrar fees	5(b)	(600,000)	(600,000)
Accounting fees	5(c)	(75,000)	(75,000)
Auditor's remuneration		(125,890)	(120,200)
Transaction fees	5(f), 5(g), 6	(200,164)	(165,539)
Legal and professional fees		-	(9,607)
Safe custody and bank charges	5(d)	(12,136)	(9,514)
Other operating expenses		(335,268)	(343,759)
		<u>(1,646,260)</u>	<u>(1,557,566)</u>
LOSS BEFORE INVESTMENT (LOSSES)/GAINS AND EXCHANGE DIFFERENCES		(106,331)	(307,198)
INVESTMENT (LOSSES)/GAINS AND EXCHANGE DIFFERENCES			
Net realised gains/(losses) on financial assets at fair value through profit or loss		8,622,019	(80,127)
Net change in unrealised (losses)/gains on financial assets at fair value through profit or loss		(12,559,778)	11,154,069
Foreign exchange (losses)/gains		(825)	223
		<u>(3,938,584)</u>	<u>11,074,165</u>
(LOSS)/PROFIT BEFORE TAX		(4,044,915)	10,766,967
Withholding tax expense	9	(44,623)	(32,038)
TOTAL COMPREHENSIVE (LOSS)/ INCOME		<u>(4,089,538)</u>	<u>10,734,929</u>

The accompanying notes are an integral part of these financial statements.

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2021

	Units	HKD
At 1 January 2020	2,000,000	44,292,628
Total comprehensive income	-	10,734,929
At 31 December 2020 and 1 January 2021	2,000,000	55,027,557
Total comprehensive loss	-	(4,089,538)
At 31 December 2021	2,000,000	50,938,019

The accompanying notes are an integral part of these financial statements.

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Note	2021 HKD	2020 HKD
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before tax		(4,044,915)	10,766,967
Adjustments for:			
Dividend income		(1,539,919)	(1,250,361)
Interest income		(10)	(7)
Operating (loss)/profit before changes in working capital		(5,584,844)	9,516,599
Decrease/(Increase) in financial assets at fair value through profit or loss		3,969,019	(10,493,562)
(Increase)/decrease in prepayments and other receivables		(38,095)	32,422
(Decrease)/increase in management fee payable		(728)	3,331
Increase/(decrease) in trustee and registrar fees payable		137	(1,782)
Increase in other payables and accruals		82,902	9,275
Cash used in operations		(1,571,609)	(933,717)
Dividend received		1,532,119	1,302,120
Interest received		10	7
Tax paid		(44,623)	(32,038)
Net cash flows (used in)/from operating activities		(84,103)	336,372
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(84,103)	336,372
Cash and cash equivalents at the beginning of the year		1,078,167	741,795
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>994,064</u>	<u>1,078,167</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash at bank	7	<u>994,064</u>	<u>1,078,167</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

1. THE TRUST

ChinaAMC Global ETF Series (the "Trust") is an umbrella unit trust governed by its trust deed dated 17 September 2015 (the "Trust Deed"), as amended or supplemented from time to time, between China Asset Management (Hong Kong) Limited (the "Manager") and HSBC Institutional Trust Services Asia Limited (the "Trustee"). The Trust Deed is governed by Hong Kong law. The Trust is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") pursuant to section 104(1) of the Securities and Futures Ordinance of Hong Kong.

These financial statements relate to the first sub-fund of the Trust, ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF (the "Sub-Fund"). The date of inception of the Sub-Fund was 23 October 2015. The Sub-Fund commenced trading under stock code 03157 on the Stock Exchange of Hong Kong (the "SEHK") on 26 October 2015.

The investment objective of the Sub-Fund is to provide investment results that closely correspond to the performance of the Hang Seng Stock Connect Hong Kong SmallCap Index (the "Index"). The Sub-Fund is a physical exchange traded fund investing directly in the underlying H Shares of the Index.

2.1 BASIS OF PREPARATION

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E of the *Code on Unit Trusts and Mutual Funds* of the SFC (the "SFC Code").

The financial statements have been prepared under the historical cost basis, except for financial assets classified at fair value through profit or loss ("FVPL") that have been measured at fair value. The financial statements are presented in Hong Kong Dollars ("HKD") and all values are rounded to the nearest HKD except where otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Sub-Fund has not adopted any revised IFRSs for the first time for the current year's financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Sub-Fund has not early applied any of the new and revised IFRSs that have been issued but are not yet effective for the accounting year ended 31 December 2021, in these financial statements. Among the new and revised IFRSs, the following are expected to be relevant to the Sub-Fund's financial statements upon becoming effective:

Amendments to IAS 8	<i>Definition of Accounting Estimates</i> ¹
Amendments to IAS 1	<i>Disclosure of Accounting Policies</i> ¹
Amendments to IFRS Practice Statement 2	<i>Making Materiality Judgements</i> ²

¹ Effective for annual periods beginning on or after 1 January 2023

² No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Sub-Fund is described below.

Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

Amendments to IAS 1 and IFRS Practice Statement 2 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Sub-Fund expects to adopt the above amendments prospectively from 1 January 2023. The amendments are not expected to have any significant impact on the Sub-Fund's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(i) Classification

In accordance with IFRS 9, the Sub-Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or
- On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

NOTES TO FINANCIAL STATEMENTS

31 December 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Classification (continued)

Financial assets

The Sub-Fund classifies its financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

(a) Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows and their contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Sub-Fund includes in this category short-term non-financing receivables including dividend receivables and cash and cash equivalents.

(b) Financial assets measured at FVPL

A financial asset is measured at FVPL if:

- Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding, or
- It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell, or
- At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Sub-Fund includes in this category instruments held for trading. This category includes equity instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Classification (continued)

Financial liabilities

(a) Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include all financial liabilities. The Sub-Fund includes in this category management fee payable, trustee and registrar fees payable, and other payables and accruals.

(ii) Recognition

The Sub-Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Sub-Fund commits to purchase or sell the asset.

(iii) Initial measurement

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and financial liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

After initial measurement, the Sub-Fund measures financial instruments which are classified as at FVPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net change in unrealised gains or losses on financial assets at FVPL. Interest and dividend earned on these instruments are recorded separately in interest income and dividend income.

Financial assets, other than those classified as at FVPL, are measured at amortised cost using the effective interest method ("EIR") less any allowance for impairment. Gains and losses are recognised in profit or loss when the financial assets are derecognised or impaired, as well as through the amortisation process.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iv) Subsequent measurement (continued)

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the EIR. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The EIR is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability.

When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses ("ECLs"). The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(v) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Sub-Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Sub-Fund has:

- Transferred substantially all the risks and rewards of the asset, or
- Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Sub-Fund has transferred its rights to receive cash flows from an asset (or has entered into a pass-through arrangement) and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Sub-Fund's continuing involvement in the asset. In that case, the Sub-Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Fund has retained. The Sub-Fund derecognises a financial liability when the obligation under the liability is discharged.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

For financial assets measured at amortised cost, impairment allowances are recognised under the general approach where ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Sub-Fund is required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

The Sub-Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Sub-Fund uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Fair value measurement

The Sub-Fund measures its investments in financial instruments, such as equity instruments, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- In the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Sub-Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Sub-Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making use of available and supportable market data as much as possible).

NOTES TO FINANCIAL STATEMENTS

31 December 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as cash and cash equivalents.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts where applicable.

Redeemable units

Redeemable units are classified as an equity instrument when:

- (a) the redeemable units entitle the holder to a pro-rata share of the Sub-Fund's net assets in the event of the Sub-Fund's liquidation.
- (b) the redeemable units are in the class of instruments that is subordinate to all other classes of instruments.
- (c) all redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features.
- (d) the redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro-rata share of the Sub-Fund's net assets.
- (e) the total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund over the life of the instrument.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Redeemable units (continued)

In addition to the redeemable units having all the above features, the Sub-Fund must have no other financial instruments or contracts that have:

- (a) total cash flows based substantially on profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund, and
- (b) the effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Sub-Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Sub-Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Sub-Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

Upon issuance of redeemable units, the consideration received is included in equity. Transaction costs incurred by the Sub-Fund in issuing its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Own equity instruments that are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in profit or loss on the purchase, sale, issuance or cancellation of the Sub-Fund's own equity instruments.

Revenue recognition

- (a) Dividend income
Dividend income is recognised on the date when the Sub-Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding income taxes, which are disclosed separately in profit or loss.
- (b) Interest income
Interest income is recognised on an accrual basis using the EIR by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Net change in unrealised gains or losses on financial assets at FVPL

This item includes changes in the fair value of financial assets at FVPL and excludes interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net realised gains or losses on financial assets at FVPL

Realised gains and losses on disposals of financial assets at FVPL are calculated using the weighted average method. They represent the difference between an instrument's average cost and disposal amount.

Foreign currency translations

Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign currency translation gains and losses on financial instruments classified as at FVPL are included in profit or loss.

Functional and presentation currency

The Sub-Fund's functional currency is HKD, which is the currency of the primary economic environment in which it operates. The Sub-Fund's performance is evaluated and its liquidity is managed in HKD. Moreover, the net asset value per unit at the time of issue or redemption is determined and units quoted on the Hong Kong Stock Exchange are denominated in HKD.

Therefore, the HKD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Sub-Fund's presentation currency is also HKD.

Distributions to unitholders

Distributions are intended to be at least annually having regard to the Sub-Fund's net income after fees and costs. A distribution to the Sub-Fund's unitholders is accounted for as a deduction from net assets attributable to unitholders. A proposed distribution is recognised as a liability in the period in which it is approved by the Manager. No distribution will be paid out of the Sub-Fund's capital.

Taxes

The Sub-Fund is exempt from all forms of taxation in Hong Kong, including income, capital gains and withholding taxes. However, in some jurisdictions, dividend income, interest income and capital gains are subject to withholding tax deducted at the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment gains in profit or loss. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

Transactions fees

Transactions fees are costs incurred to acquire/dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transaction costs are expensed as incurred in profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Sub-Fund if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Sub-Fund;
 - (ii) has significant influence over the Sub-Fund; or
 - (iii) is a member of the key management personnel of the Sub-Fund or of a parent of the Sub-Fund;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Sub-Fund are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Sub-Fund are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Fund or an entity related to the Sub-Fund;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Sub-Fund or to the parent of the Sub-Fund.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Sub-Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Fair value of suspended equity investments

The suspended equity investments have been valued based on the market approach and adjusted NAV as detailed in note 12 to the financial statements. In addition, the Manager makes estimates about the liquidity discount. The Sub-Fund classifies the fair value of these investments as Level 3.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND THEIR CONNECTED PERSONS

The following is a summary of significant related party transactions entered into during the period between the Sub-Fund, the Trustee, the Manager and their connected persons. Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the period between the Sub-Fund and the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with connected persons except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee of up to 1% per annum of the net asset value of the Sub-Fund. The management fee is currently at a rate of 0.5% per annum with respect to the net asset value of the Sub-Fund calculated and accrued on each valuation day and is paid monthly in arrears.

The management fee incurred during the year ended 31 December 2021 amounted to HKD297,802 (2020: HKD233,947). As at 31 December 2021, a management fee of HKD21,581 (2020: HKD22,309) was payable to the Manager.

(b) Trustee fee and registrar fees

The Trustee is entitled to receive a trustee fee of up to 1% per annum of the net assets value of the Sub-Fund, accrued daily and calculated as at each dealing day and payable monthly in arrears. The trustee fee is calculated as a percentage per annum of the net assets value of the Sub-Fund at the rates as follows, subject to a monthly minimum of HKD50,000:

	Trustee fee percentage per annum
For the first HKD1,000 million	0.10%
For the next HKD1,000 million	0.08%
Thereafter	0.06%

The trustee and registrar fees incurred during the year ended 31 December 2021 amounted to HKD600,000 (2020: HKD600,000). As at 31 December 2021, trustee and registrar fees of HKD50,958 (2020: HKD50,821) were payable to the Trustee.

The Trustee shall also be entitled to be reimbursed out of the assets of the Sub-Fund all out-of-pocket expenses incurred.

The Trustee is also entitled to an inception fee of HKD30,000 for the establishment of the Sub-Fund.

The Trustee, acting as the Registrar, is also entitled to receive a registrar fee of HKD120 per participating dealer per transaction for updating the register record of the Sub-Fund.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND THEIR CONNECTED PERSONS
(continued)

(c) Accounting professional fee

The Trustee is entitled to receive an accounting fee from the Sub-Fund for preparing the interim and year-end financial statements.

The accounting fee for the year ended 31 December 2021 was HKD75,000 (2020: HKD75,000). As at 31 December 2021, an accounting fee of HKD50,000 (2020: HKD50,000) was payable to the Trustee.

(d) Safe custody and bank charges

The Trustee is entitled to receive custodian fees from the Sub-Fund at a current rate of 0.02% per annum, calculated monthly and paid monthly in arrears.

The custodian fees for the year ended 31 December 2021 were HKD11,936 (2020: HKD9,314). As at 31 December 2021, no custodian fee was payable to the Trustee (2020: Nil).

(e) Bank deposit and investments held by the Trustee's affiliates

The investments and bank balance deposited with the Trustee and its affiliates as at 31 December 2021 and 31 December 2020 are summarised below:

	Notes	2021 HKD	2020 HKD
<u>Investments</u>			
HSBC Institutional Trust Services (Asia) Limited	11	50,401,322	54,370,341
<u>Bank balance</u>			
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	7	994,064	1,078,167

For the year ended 31 December 2021, interest income of HKD10 (2020: HKD7) was recognised from the bank deposited with Trustee's affiliates.

(f) Transaction fees

The Trustee is entitled to receive a transaction fee of HKD160 for each rebalancing transaction. For the year ended 31 December 2021, transaction fees of HKD84,480 (2020: HKD66,560) were incurred towards the Trustee. As at 31 December 2021, transaction fees of HKD7,040 (2020: HKD11,040) were payable to the Trustee.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND THEIR CONNECTED PERSONS
(continued)

(g) Investment transactions with connected persons of the Trustee

For the year ended 31 December 2021, broker commission through HSBC Global Market, the fellow subsidiary of the Trustee, amounted to HKD20,729 (2020: HKD24,532).

	Aggregate value of purchases and sales of securities HKD	Total commission paid HKD	% of the Sub-Fund's total transactions during the period %	Average commission rate %
For the year ended 31 December 2021				
HSBC Global Market	67,948,698	20,729	95.20%	0.03%
For the year ended 31 December 2020				
HSBC Global Market	33,123,820	24,532	63.54%	0.07%

6. TRANSACTION FEES

Except as disclosed in note 5(f) to the financial statements, the amount represented the broker commission and other transaction fees incurred for purchases and sales of units and charged by the relevant brokers and participating dealers.

7. CASH AND CASH EQUIVALENTS

	2021 HKD	2020 HKD
Cash at bank	994,064	1,078,167

Cash at bank was with HSBC, an affiliate company of the Trustee of the Sub-Fund. The bank account with HSBC is an interest-bearing account. The carrying amount of the cash at bank approximates to its fair value.

8. SOFT COMMISSION ARRANGEMENTS

The Manager and its connected persons have not received any soft dollar commissions or entered into any soft dollar arrangements in respect of the management of the Sub-Fund for the year ended 31 December 2021 (2020: Nil). The Manager and its connected persons have not retained any cash rebates from any broker or dealer.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

9. INCOME TAX

Hong Kong profits tax

No provision for Hong Kong profits tax has been made for the Sub-Fund. The Sub-Fund is authorised by the SFC as a collective investment scheme pursuant to Section 104 of the SFC to offer to the retail public in Hong Kong. It is exempted from Hong Kong profits tax under Section 26A (1A) of the Hong Kong Inland Revenue Ordinance.

PRC distribution tax

A 10% PRC withholding tax has been levied on dividends from PRC companies to foreign investors. As such, the RMB Qualified Foreign Institutional Investors (the "RQFII") will pass on this tax liability to the Sub-Fund in the form of distribution tax and therefore the Sub-Fund is subject to a distribution tax of 10%. There is no assurance that the rate of the distribution tax will not be changed by the PRC tax authorities in the future.

The distribution tax for the year ended 31 December 2021 was HKD44,623 (2020: HKD32,038).

10. DISTRIBUTIONS

There were no distributions made by the Sub-Fund for the year ended 31 December 2021 (2020: Nil).

The Manager may in its absolute discretion distribute income to unitholders at such time or times as it may determine in each financial year or determine that no distribution shall be made in any financial year. The amount to be distributed to unitholders, if any, will be derived from the net income of the Sub-Fund.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 HKD	2020 HKD
Financial assets at fair value through profit or loss		
- listed equity securities	<u>50,401,322</u>	<u>54,370,341</u>

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets traded in active markets is based on quoted market prices at the close of trading on the period end date.

The Sub-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 fair value.

The Sub-Fund's fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

12. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

When a price for an identical asset or liability is not observable, the Sub-Fund measures fair value using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, the Sub-Fund's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

Even when there is no observable market to provide pricing information about the sale of an asset or the transfer of a liability at the measurement date, a fair value measurement shall assume that a transaction takes place at that date, considered from the perspective of a market participant that holds the asset or owes the liability. That assumed transaction establishes a basis for estimating the price to sell the asset or to transfer the liability.

Valuation techniques

Level 1

When fair values of listed equity securities at the reporting date are based on quoted market prices or binding dealer price quotations in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy. The Sub-Fund values these investments at last traded prices.

Level 2

Financial instruments traded in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. The listed equity securities were either actively traded or suspended, hence, no investments were classified as Level 2 in 2021 and 2020.

Level 3

The valuation of investments suspended from trading is performed on a daily basis by the portfolio manager of the Manager and reviewed by senior management of the Manager and the Trustee. The fair value of those investments which do not resume trading in a short period of time subsequent to the period end for which there was an absence of quoted prices was estimated by the Manager using the market approach in which the last traded price before the suspension of trading was used and then adjusted by applying a liquidity discount and adjusted NAV. Such valuation methods are generally accepted in the industry. The model incorporates unobservable inputs which include the qualitative assessment. The Sub-Fund classified the fair value of these investments as Level 3.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

12. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table shows an analysis of the Sub-Fund's financial assets measured at fair value at 31 December 2021 and 31 December 2020:

	Quoted prices in active markets Level 1 HKD	Significant observable inputs Level 2 HKD	Significant unobservable inputs Level 3 HKD	Total HKD
2021				
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	50,255,017	-	146,305	50,401,322
2020				
<u>Financial assets at fair value through profit or loss</u>				
Listed equity securities	54,360,381	-	9,960	54,370,341

Transfers between Level 1 and Level 2

As at 31 December 2021 and 2020, there was no transfer between Level 1 and Level 2

Transfers between Level 2 and Level 3

As at 31 December 2021 and 2020, there was no transfer between Level 2 and Level 3

Transfers between Level 1 and Level 3

As at 31 December 2021, the Sub-Fund reclassified three listed equity securities from Level 1 to Level 3 following the suspension of trading of the investments. These financial assets are namely China Zhongwang Holdings Limited (stock code: 1333), Sinic Holdings (Group) Company Limited (stock code: 2103) and Tianli Education International Holdings Limited (stock code: 1773).

As at 31 December 2020, the Sub-Fund reclassified two listed equity securities from Level 1 to Level 3 following the suspension of trading of the investments. These financial assets are namely Southern Energy Holdings Group Limited (stock code: 1573) and Agritrade Resources Limited (stock code: 1131). Also, the Sub-Fund transferred one listed equity security, namely China Ding Yi Feng Holdings Limited (stock code: 612), out from Level 3 following the resumption of trading of the investment.

The listed equity securities were suspended from trading as at 31 December 2021 and resumed trading from suspension before the date of authorisation of the Sub-Fund's financial statements for the year ended 31 December 2021.

Transfers between levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

12. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table shows the total amount of transfers of financial assets at fair value through profit or loss from Level 1 to Level 3 of the fair value hierarchy:

	Transfer from Level 1 to Level 3	
	2021 HKD	2020 HKD
Financial assets at fair value through profit or loss		
- Listed equity securities	<u>146,305</u>	<u>9,960</u>

Quantitative information of significant unobservable inputs - Level 3

Description	HKD	Valuation technique	Unobservable input
31 December 2021			
- Equity securities	146,305	Market approach	Liquidity discount (-75%)
		Adjusted NAV	Adjusted NAV
31 December 2020			
- Equity securities	9,960	Market approach	Liquidity discount (-50%)
		Adjusted NAV	Adjusted NAV

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2021 and 31 December 2020 are shown below:

As at 31 December 2021

	Input	Change in the liquidity discount	Effect on the fair value of investment HKD	Effect on the net assets attributable to unitholders HKD
Equity securities				
- Equity investment	Liquidity discount	5%	(8,347)	(8,347)
	Liquidity discount	(5%)	8,347	8,347

As at 31 December 2020

Equity securities				
- Equity investment	Liquidity discount	5%	(996)	(996)
	Liquidity discount	(5%)	996	996

NOTES TO FINANCIAL STATEMENTS

31 December 2021

12. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

	Financial assets at fair value through profit or loss	
	Equity securities	
	2021 HKD	2020 HKD
Opening balance	9,960	31,100
Purchases	217,815	-
Transfer into Level 3	146,305	9,960
Total (losses)/gains in profit or loss	(227,775)	106,459
Sales	-	(137,559)
Closing balance	<u>146,305</u>	<u>9,960</u>
Total (losses)/gains for the year included in the net change in unrealised gains on financial assets at fair value through profit or loss	<u>(227,775)</u>	<u>106,459</u>

13. THE REDEEMABLE UNITS

	2021 Units	2020 Units
Number of units at the beginning of the year	<u>2,000,000</u>	<u>2,000,000</u>
Number of units at the end of the year	<u>2,000,000</u>	<u>2,000,000</u>
Net assets attributable to unitholders as the end of the year	<u>50,938,019</u>	<u>55,027,557</u>
Net assets per unit at the end of the year	<u>25.4690</u>	<u>27.5138</u>

The creation and redemption of units of the Sub-Fund can only be facilitated by or through participating dealers. Investors other than the participating dealers make a request to create or redeem units through a participating dealer, and if the investor is a retail investor, such request must be made through a stockbroker which has opened an account with a participating dealer.

The Trustee shall receive subscription proceeds from the participating dealers for the creation of units and pay redemption proceeds for the redemption of units to the relevant participating dealer in such form and manner as prescribed by the Trust Deed.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

13. THE REDEEMABLE UNITS (continued)

Units are denominated in base currency and no fractions of a unit shall be created or issued by the Trustee. Units of the Sub-Fund are offered and issued at their dealing net assets value only in aggregation of a specified number of application units ("Application Unit"). Units are redeemable only in an Application Unit or the multiple thereof at the dealing net assets value. Currently, creation and redemption of units will be effected in securities and/or cash.

14. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

According to Chapter 7.1 of the investment limitations and prohibitions of a collective investment scheme, the value of the Sub-Fund's holding of securities issued by any single issuer may not exceed 10% of its total net asset value.

The SFC Code allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net assets value provided that:

- (a) the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the index; and
- (b) the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the index, except where weightings are exceeded as a result of changes in the composition of the index and the excess is only transitional and temporary in nature.

The SFC Code further provides that, if the investment limits stated above are breached, the management company should take as a priority objective all steps as are necessary within a reasonable period of time to remedy the situation, taking due account of the interests of the holders.

The Trust Deed of the Trust also contains provisions mirroring the above provisions of the SFC Code.

The Manager and the Trustee have confirmed that the Sub-Fund has complied with this limit during the year.

There were no constituent securities that individually accounted for more than 10% of the net assets value of the Sub-Fund and their respective weightings of the Index as at 31 December 2021 and 31 December 2020.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management

The Sub-Fund's objective in managing risk is the creation and protection of unitholders' value. Risk is inherent in the Sub-Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Sub-Fund's continuing profitability. The Sub-Fund is exposed to market risk (which includes equity price risk, interest rate risk and currency risk), credit risk and liquidity risk arising from the financial instruments it holds.

The Manager is responsible for identifying and controlling risks. The board of directors of the Manager supervises the Manager and is ultimately responsible for the overall risk management approach within the Sub-Fund.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Sub-Fund itself is subject to various risks. The main risks associated with the investments, assets and liabilities of the Sub-Fund are set out below:

(a) Market risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices either caused by factors specific to the individual instrument or factors affecting all instruments in the market.

(i) Equity price risk

The Sub-Fund invested substantially all of its assets in shares of those companies comprising the Index in substantially the same weightings as constituted in the Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the Index.

When there are changes in the constituent shares comprised in the index and/or their respective weightings within the Index, the Manager will rebalance the composition of the relevant investment holdings or the underlying dynamic basket of shares of selected constituent companies of the Index.

As at 31 December 2021 and 31 December 2020, the Sub-Fund's investments were concentrated in the following industries.

	2021		2020	
	Fair value HKD	% of net asset value	Fair value HKD	% of net asset value
Share holdings by sector				
Basic materials	6,646,009	13.05%	4,776,004	8.69%
Communications	1,773,596	3.48%	1,747,518	3.18%
Consumer, cyclical	5,220,051	10.25%	7,780,282	14.15%
Consumer, non-cyclical	12,305,886	24.16%	11,842,268	21.52%
Energy	3,463,555	6.80%	2,836,468	5.16%
Financial	9,829,831	19.30%	10,287,675	18.69%
Industrial	7,720,754	15.16%	8,878,447	16.12%
Technology	2,077,280	4.08%	6,099,679	11.08%
Utilities	1,364,360	2.67%	122,000	0.22%
	<u>50,401,322</u>	<u>98.95%</u>	<u>54,370,341</u>	<u>98.81%</u>

Sensitivity analysis in the event of a possible change in the Index as estimated by the Manager

As at 31 December 2021, if the Index was to increase by 5% with all other variables held constant, profit before tax of the Sub-Fund for the period would increase by approximately HKD2,520,066 (2020: HKD2,718,517). Conversely, if the Index was to decrease by 5%, the operating profit for the period would decrease by an approximately equal amount.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flows will fluctuate due to changes in market interest rates.

The Manager considers that the Sub-Fund is not subject to a significant amount of risk due to fluctuations in the prevailing level of market interest rate. As the financial instruments of the Sub-Fund are predominately listed equities, which are non-interest-bearing, the Manager considers that the exposure to the changes in the fair value in the event of a change in market interest rates is not significant. Therefore, no sensitivity analysis is presented.

(iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

100% (2020: 100%) of the Sub-Fund's sales and purchases were denominated in the Sub-Fund's functional currency. Assets and liabilities held by the Sub-Fund are mainly denominated in HKD, the functional currency of the Sub-Fund. Therefore, the Manager considers the Sub-Fund is not exposed to significant currency risk and no sensitivity analysis is presented.

(b) Credit and counterparty risk

Credit risk is the risk of loss to the Sub-Fund that may arise on outstanding financial instruments should a counterparty default on its obligations. The Sub-Fund minimises exposure to credit risk by only dealing with creditworthy counterparties.

All transactions by the Sub-Fund in securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received the payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Manager's policy is to closely monitor the creditworthiness of the Sub-Fund's counterparties (e.g., brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9's impairment disclosure requirements or not.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit and counterparty risk (continued)

Financial assets subject to IFRS 9's impairment requirements

The Sub-Fund's financial assets subject to the ECLs model within IFRS 9 are only cash and cash equivalents and dividend receivables. As at 31 December 2021, the total of cash and cash equivalents and dividend receivables was HKD1,011,809 on which no loss allowance had been provided (2020: total of HKD1,088,112 on which no loss allowance had been provided). It is considered that there is no concentration of credit risk within these assets. No assets are considered to be impaired and no amounts have been written off in the year.

For financial assets measured at amortised cost, the Sub-Fund applies the general approach for impairment, and there is no information indicating that the financial asset had a significant increase in credit risk since initial recognition. The financial assets therefore are still classified as stage 1 and presented in gross carrying amount.

In calculating the loss allowance, a provision matrix has been used based on historical observed loss rates over the expected life of the receivables adjusted for forward-looking estimates. Items have been grouped by their nature into the following categories: cash and cash equivalents and dividend receivables. All the Sub-Fund's cash and cash equivalents are held in major financial institution located in Hong Kong, which the Manager believes are of high credit quality. The Manager considers the Sub-Fund is not exposed to significant credit risk and no loss allowance has been made.

Financial assets not subject to IFRS 9's impairment requirements

The Sub-Fund is exposed to credit risk on equity securities. This class of financial assets is not subject to IFRS 9's impairment requirements as they are measured at FVPL. The carrying value of these assets under IFRS 9 represents the Sub-Fund's maximum exposure to credit risk on financial instruments not subject to IFRS 9's impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of assets held with the Custodian. The tables below summarise the Sub-Fund's assets placed with the Custodian and their related credit ratings:

	HKD	Credit rating	Source of credit rating
As at 31 December 2021			
<u>Custodian</u>			
HSBC Institutional Trust Services (Asia) Limited	50,401,322	AA-	S&P
As at 31 December 2020			
<u>Custodian</u>			
HSBC Institutional Trust Services (Asia) Limited	54,370,341	AA-	S&P

The Manager of the Sub-Fund considers that none of these assets were impaired nor past due as at 31 December 2021.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Liquidity risk

Liquidity risk is defined as the risk that the Sub-Fund will encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Sub-Fund could be required to pay its liabilities or redeem its units earlier than expected. The Sub-Fund is exposed to daily cash redemptions of its redeemable units. Units are redeemable at the holder's option based on the Sub-Fund's net asset value per unit at the time of redemption, calculated in accordance with the Sub-Fund's Trust Deed. It is the Sub-Fund's policy that the Manager monitors the Sub-Fund's liquidity position on a daily basis.

The table below summarises the maturity profile of the Sub-Fund's financial assets and liabilities at the end of the reporting period based on contractual undiscounted cash flows in order to provide a complete view of the Sub-Fund's contractual commitments and liquidity.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Sub-Fund can be required to pay.

Financial assets

Analysis of equity securities at fair value through profit or loss into maturity groupings is based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date on which the assets will be realised.

	On demand HKD'000	Less than 1 month HKD'000	1 to 3 months HKD'000	4 to 12 months HKD'000	(Note) No term HKD'000	Total HKD'000
As at 31 December 2021						
<u>Financial assets</u>						
Financial assets at fair value through profit or loss	-	50,255	-	-	146	50,401
Dividend receivables	-	18	-	-	-	18
Cash and cash equivalents	994	-	-	-	-	994
Total	994	50,273	-	-	146	51,413
<u>Financial liabilities</u>						
Management fee payable	-	21	-	-	-	21
Trustee and registrar fees payable	-	51	-	-	-	51
Other payables and accruals	-	89	-	352	-	441
Total	-	161	-	352	-	513

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NOTES TO FINANCIAL STATEMENTS

31 December 2021

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Liquidity risk (continued)

	On demand HKD'000	Less than 1 month HKD'000	1 to 3 months HKD'000	4 to 12 months HKD'000	(Note) No term HKD'000	Total HKD'000
As at 31 December 2020						
<u>Financial assets</u>						
Financial assets at fair value through profit or loss	-	54,360	-	-	10	54,370
Dividend receivables	-	10	-	-	-	10
Cash and cash equivalents	1,078	-	-	-	-	1,078
Total	1,078	54,370	-	-	10	55,458
<u>Financial liabilities</u>						
Management fee payable	-	22	-	-	-	22
Trustee and registrar fees payable	-	51	-	-	-	51
Other payables and accruals	-	137	-	221	-	358
Total	-	210	-	221	-	431

Note:

The Manager considers there is no term of maturity because the financial assets at FVPL are suspended from trading.

Capital management

The Sub-Fund's capital is represented by its net assets attributable to unitholders. The Sub-Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

The Manager manages the capital of the Sub-Fund in accordance with the Sub-Fund's investment objectives and policies stated in the prospectus.

NOTES TO FINANCIAL STATEMENTS

31 December 2021

16. SEGMENT INFORMATION

The Manager makes the strategic resource allocations on behalf of the Sub-Fund and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that the Sub-Fund has a single operating segment which is investing in securities. The objectives of the Sub-Fund are to track the performance of the Index and invest in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

The internal financial information used by the Manager for the Sub-Fund's assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. All of the Sub-Fund's income is derived from investments in securities which constitute its tracked index. The Sub-Fund's investments are mainly domiciled in Hong Kong.

The Sub-Fund has no assets classified as non-current assets. The Sub-Fund has portfolios that closely correspond to the security weight and industry weight of its tracked index.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 25 March 2022.

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
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INVESTMENT PORTFOLIO

As at 31 December 2021

Listed equities	Holdings Shares	Market Value HKD	% of NAV
<u>Hong Kong</u>			
Basic Materials			
Aluminum Corp of China Ltd	232,000	999,920	1.96
China Oriental Group Co Ltd	68,000	159,800	0.31
China Risun Group Ltd	78,000	368,940	0.72
China Zhongwang Holdings Ltd	101,600	-	-
Dongyue Group Ltd	72,700	884,032	1.74
Jinchuan Group Intl Resources Co Ltd	191,000	259,760	1.06
Shandong Gold Mining Co Ltd	40,300	537,602	0.29
Sinofert Holdings Ltd	127,700	149,409	0.67
Sinopec Shanghai Petrochemical Co Ltd	190,000	340,100	0.79
Tiangong International Co Ltd	84,000	400,680	0.90
Zhaojin Mining Industry Co Ltd	69,049	459,866	1.96
Communications			
CITIC Telecom International Holdings Ltd	100,200	263,526	0.52
Comba Telecom Systems Holdings Ltd	116,000	208,800	0.41
FIH Mobile Ltd	196,000	266,560	0.52
Hong Kong Television Network Ltd	36,000	306,000	0.60
Hutchison Telecommunications Hong Kong Holdings Ltd	90,000	112,500	0.22
Joy Spreader Group Inc	54,000	140,400	0.28
Meitu Inc	107,000	165,850	0.32
MH Development Ltd	40,000	-	-
Sunevision Hldgs Ltd	42,000	309,960	0.61
Consumer, Cyclical			
Baic Motor Corp Ltd	107,000	358,450	0.7
Cafe De Coral Holdings Ltd	22,000	305,800	0.6
China Dongxiang Group	214,000	145,520	0.29
China Lilang Ltd	30,000	130,800	0.26
China Travel International Investment Hong Kong Ltd	138,000	212,520	0.42
Chow Sang Sang	23,000	250,700	0.49
Citychamp Watch & Jewellery	94,500	144,585	0.28
Digital China Holdings Ltd	51,000	252,450	0.50
Fosun Tourism Group	15,000	157,200	0.31
Luk Fook Holdings International Ltd	21,000	441,000	0.87
Pacific Textiles Holdings Ltd	64,000	235,520	0.46
Skyworth Group Ltd	88,000	480,480	0.94
TCL Multimedia Technology Holdings Ltd	58,000	234,900	0.46
Texhong Textile Group Ltd	16,600	170,980	0.34
Tianneng Power International Ltd	43,400	358,050	0.70
Xiabuxiabu Catering Management Holdings Co Ltd	39,500	240,555	0.47
Xtep International Holdings	84,657	1,100,541	2.16

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INVESTMENT PORTFOLIO (continued)

As at 31 December 2021

Listed equities (continued)	Holdings Shares	Market Value HKD	% of NAV
<u>Hong Kong</u> (continued)			
Consumer, Non-cyclical			
Alphamab Oncology	27,000	367,200	0.72
Ascentage Pharma Group International	10,700	301,740	0.59
Beijing Tong Ren Tang Chinese Medicine Co Ltd	15,000	201,300	0.40
Cathay Media and Education Group Inc	24,000	48,000	0.09
Cheerwin Group Ltd	24,000	74,640	0.15
China Kepei Education Group Ltd	42,000	134,820	0.26
China Maple Leaf Educational Systems Ltd	92,600	50,004	0.10
China Modern Dairy Holdings Ltd	150,000	196,500	0.39
China New Higher Education Group Ltd	47,700	157,410	0.31
China Resources Medical Holdings Co Ltd	51,000	236,640	0.46
China Tobacco International HK Co Ltd	12,000	188,400	0.37
CK Life Sciences International (Holdings) Inc	180,000	133,200	0.26
C-Mer Eye Care Holdings Ltd	26,000	179,140	0.35
COFCO Meat Holdings Ltd	106,000	314,820	0.62
Cstone Pharmaceuticals	66,000	545,820	1.07
First Pacific Co Ltd	152,000	436,240	0.86
Frontage Holdings Corp	56,000	221,200	0.43
Fu Shou Yuan International	81,900	502,047	0.99
Genor Biopharma Holdings Ltd	18,000	127,800	0.25
Hangzhou Tigermed Consulting Co Ltd	7,200	712,800	1.40
Hope Education Group Co Ltd	192,000	288,000	0.57
Jacobio Pharmaceuticals Group Co Ltd	21,000	304,500	0.60
Jiangsu Expressway Co Ltd	72,000	575,280	1.13
Junshi Bio	9,600	556,800	1.09
JW Cayman Therapeutics Co Ltd	16,500	221,760	0.44
Kintor Pharmaceutical Ltd	17,000	209,100	0.41
Lifetech Scientific Corp	231,369	846,811	1.66
Livzon Pharmaceutical Group Inc	9,479	270,151	0.53
Nissin Foods Co Ltd	19,000	113,430	0.22
Ocumension Therapeutics	21,000	367,500	0.72
Pharmaron Beijing Co Ltd	7,500	902,250	1.77
Remegen Co Ltd	6,500	506,350	0.99
Scholar Education Group	10,000	14,400	0.03
Sciclone Pharmaceuticals Holdings Ltd	8,000	69,200	0.14
Sihuan Pharmaceutical Holdings Group Ltd	257,000	380,360	0.75
Tianli Education International Holdings Ltd	73,000	139,430	0.27
United Laboratories Ltd	61,800	269,448	0.53
VIVA Biotech Holdings Ltd	52,500	247,275	0.49
Wisdom Education International Holdings Co Ltd	48,000	33,120	0.06
Yuexiu Transport Infrastructure Ltd	60,000	277,200	0.54
Zhejiang Expressway Co Ltd	84,000	583,800	1.15

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INVESTMENT PORTFOLIO (continued)

As at 31 December 2021

Listed equities (continued)	Holdings Shares	Market Value HKD	% of NAV
Hong Kong (continued)			
Energy			
Agritrade Resources Ltd	240,000	-	-
Canvest Environmental Protection	38,200	157,384	0.31
China Coal Energy Co Ltd	241,000	1,084,500	2.13
China Everbright Greentech Ltd	44,700	130,971	0.26
China Oilfield Services Ltd	106,000	723,980	1.42
Cimc Enric Holdings Ltd	42,000	476,280	0.94
Perennial Energy Holdings Ltd	50,000	81,500	0.16
Shougang Fushan Resources Group Ltd	138,000	364,320	0.72
Sinopec Kantons Holdings Ltd	60,000	183,600	0.36
Tian Lun Gas Holdings Ltd	31,000	261,020	0.50
Financial			
C&D International Investment Group Ltd	32,000	526,080	1.03
Central China New Life Ltd	27,000	135,540	0.27
Central China Real Estate	63,000	59,220	0.12
China Logistics Property Holdings Co Ltd	41,000	176,300	0.35
China Merchants Securities Co Ltd	63,600	759,384	1.49
China Overseas Grand Oceans Group Ltd	100,100	396,396	0.78
China Renaissance Holdings Ltd	8,300	122,674	0.24
China SCE Group Holdings Ltd	103,400	195,426	0.38
China South City Holdings Ltd	342,000	249,660	0.49
Chongqing Rural Commercial Bank Co Ltd	137,000	379,490	0.75
CSC Financial Co Ltd H Shares	48,200	411,146	0.81
Dah Sing Financial Holdings Ltd	10,800	254,880	0.50
E-House China Enterprise Holdings Ltd	36,900	63,099	0.12
Excellence Commercial Property & Facilities Management Group Ltd	22,000	101,640	0.20
Fantasia Holdings Group Co Ltd	107,700	35,002	0.07
Genertec Universal Medical Group Co Ltd	51,500	289,945	0.57
Glory Sun Financial Group Ltd	488,000	97,600	0.19
Greenland Hong Kong Holdings Ltd	51,600	77,400	0.15
Guotai Junan International Holdings	174,000	187,920	0.37
Huijing Holdings Co Ltd	66,000	128,700	0.25
Jinke Smart Services Group Co Ltd	19,200	651,840	1.28
KWG Living Group Holdings Ltd	67,000	214,400	0.42
Lvgem China Real Estate Investment Co Ltd	94,000	128,780	0.25
Poly Property Group Co Ltd	122,000	250,100	0.49
Poly Property Services Co Ltd	8,800	539,440	1.05
Powerlong Commercial management Holdings Ltd	13,500	195,750	0.38
Radiance Holdings Group Co Ltd	50,000	207,500	0.40
Redco Group	53,600	139,896	0.27

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
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INVESTMENT PORTFOLIO (continued)

As at 31 December 2021

Listed equities (continued)	Holdings Shares	Market Value HKD	% of NAV
Hong Kong (continued)			
Financial (continued)			
Redsun Properties Group Ltd	60,000	131,400	0.26
Road King Infrastructure Ltd	14,000	99,960	0.20
Ronshine China Holdings Ltd	35,500	106,500	0.21
S Enjoy Service Group Co Ltd	18,000	201,240	0.40
Shanghai Industrial Hldgs Ltd	26,000	295,360	0.58
Sheng Ye Capital Ltd	26,000	201,500	0.40
Shui On Land Limited	219,500	230,475	0.45
Shun Tak Holdings Ltd	84,000	180,600	0.35
Sinic Holdings Group Co Ltd	55,000	6,875	0.01
Sino-Ocean Group Holding Ltd	207,000	376,740	0.74
Skyfame Realty Holdings Ltd	178,000	153,080	0.30
Times Neighborhood Holdings Ltd	34,000	98,260	0.19
Value Partners Group Ltd	73,000	283,970	0.56
Zhuguang Holdings Group Co Ltd	130,100	210,762	0.41
Industrial			
Asia Cement China Holdings Corp	29,000	144,420	0.28
Beijing Capital International Airport Co Ltd	110,000	524,700	1.03
China Communications Services Corp Ltd	140,000	532,000	1.05
China High Speed Transmission Equipment Group Co Ltd	30,000	168,600	0.33
China Railway Construction Corp	122,000	622,200	1.22
China Railway Signal & Communication Corp	95,000	270,750	0.53
China Water Affairs Group Ltd	52,300	584,714	1.15
CT Environmental Group Ltd	238,000	-	-
Flat Glass Group Co Ltd	26,000	1,029,600	2.02
Lonking Holdings Ltd	116,400	254,916	0.50
Pacific Basin Shipping Ltd	282,400	807,664	1.59
Q Technology Group Company Ltd	29,000	292,320	0.58
Realord Group Holdings Ltd	26,900	261,737	0.51
Sany Heavy Equipment International Holdings Co Ltd	65,000	490,100	0.96
Shanghai Electric Group Corp	154,000	366,520	0.72
Vpower Group International Holdings Ltd	41,000	52,890	0.10
West China Cement Ltd	148,021	205,749	0.41
Xinjiang Goldwind Sci & Tech	43,116	656,226	1.29
Zoomlion Heavy Industry Science and Technology Co Ltd	92,800	455,648	0.89

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INVESTMENT PORTFOLIO (continued)

As at 31 December 2021

Listed equities (continued)	Holdings Shares	Market Value HKD	% of NAV
Hong Kong (continued)			
Technology			
Asiainfo Technologies Ltd	19,600	249,312	0.49
CMGE Technology Group Ltd	108,000	334,800	0.66
IGG Inc	53,776	372,668	0.73
Mobvista Inc	24,000	165,120	0.32
Netdragon Websoft Holdings Ltd	10,000	183,200	0.36
Vobile Group Ltd	80,000	494,400	0.97
VSTECS Holdings Ltd	38,000	277,780	0.55
Utilities			
CGN New Energy Holdings Co Ltd	76,000	620,160	1.22
Datang International Power Generation Co Ltd	184,000	323,840	0.63
Towngas China Co Ltd	62,000	420,360	0.82
Unlisted equities			
Basic Materials			
Jiangxi Ganfeng Lithium Co Ltd	17,000	2,085,900	4.10
Consumer, Cyclical			
Fuguiniao Co Ltd	93,800	-	-
Consumer, Non-cyclical			
China Huiyuan Juice Group Ltd	51,300	-	-
Financial			
New Sports Group Ltd	49,044	5,101	0.01
Shougang Concord Intl Enterpris Ltd	176,000	272,800	0.54
SMI Holdings Ltd	89,060	-	-
Industrial			
Hua Han Health Industry Holding Co Ltd	849,100	-	-
Southern Energy Holdings Group Ltd	54,000	-	-
Total investments, at fair value		<u>50,401,322</u>	<u>98.95</u>
Total investments, at cost		<u>57,874,153</u>	

ChinaAMC Hang Seng Stock Connect Hong Kong SmallCap Index ETF
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MOVEMENTS IN INVESTMENT PORTFOLIO

Year ended 31 December 2021

Listed equities	Holdings as at 1 January 2021	Additions	Disposals	Corporate actions	Holdings as at 31 December 2021
<u>Hong Kong</u>					
A Living Smart City Services Co Ltd	35,250	-	(35,250)	-	-
Agritrade Resources Ltd	240,000	-	-	-	240,000
AK Medical Holdings Ltd	42,000	-	(42,000)	-	-
Alphamab Oncology	-	28,000	(1,000)	-	27,000
Aluminum Corp of China Ltd	296,000	8,000	(72,000)	-	232,000
Antengene Corp Ltd	-	29,000	(29,000)	-	-
Ascentage Pharma Group International	-	10,700	-	-	10,700
Asia Cement China Holdings Corp	36,500	-	(7,500)	-	29,000
Asiainfo Technologies Ltd	24,800	-	(5,200)	-	19,600
Baic Motor Corp Ltd	-	109,500	(2,500)	-	107,000
Beijing Capital International Airport Co Ltd	-	120,000	(10,000)	-	110,000
Beijing Tong Ren Tang Chinese Medicine Co Ltd	19,000	-	(4,000)	-	15,000
C&D International Investment Group Ltd	27,000	12,000	(7,000)	-	32,000
C&D Property management group Co Ltd	27,000	-	(27,000)	-	-
Cafe De Coral Holdings Ltd	-	24,000	(2,000)	-	22,000
Canvest Environmental Protection	47,200	-	(9,000)	-	38,200
Cathay Media and Education Group Inc	-	31,000	(7,000)	-	24,000
Central China Management Co Ltd	-	53,000	(53,000)	-	-
Central China New Life Ltd	34,000	-	(7,000)	-	27,000
Central China Nil Paid Rights 21/05/2021	-	-	(588)	588	-
Central China Real Estate	-	116,000	(53,000)	-	63,000
CGN New Energy Holdings Co Ltd	100,000	-	(24,000)	-	76,000
Cheerwin Group Ltd	-	24,000	-	-	24,000
China Aircraft Leasing Group	18,300	-	(18,300)	-	-
China Coal Energy Co Ltd	-	263,000	(22,000)	-	241,000
China Communications Services Corp Ltd	-	144,000	(4,000)	-	140,000
China Dongxiang Group	-	214,000	-	-	214,000
China Everbright Greentech Ltd	55,700	-	(11,000)	-	44,700
China First Capital Group Ltd	312,000	-	(312,000)	-	-
China Harmony New Energy Auto Holdings Ltd	61,000	-	(61,000)	-	-

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2021

Listed equities (continued)	Holdings as at 1 January 2021	Additions	Disposals	Corporate actions	Holdings as at 31 December 2021
Hong Kong (continued)					
China High Speed Transmission Equipment Group Co Ltd	38,000	-	(8,000)	-	30,000
China Kepei Education Group Ltd	54,000	-	(12,000)	-	42,000
China Lilang Ltd	37,000	-	(7,000)	-	30,000
China Logistics Property Holdings Co Ltd	50,000	12,000	(21,000)	-	41,000
China Maple Leaf Educational Systems Ltd	116,600	-	(24,000)	-	92,600
China Meidong Auto Holdings Ltd	42,000	-	(42,000)	-	-
China Merchants Securities Co Ltd	-	72,800	(9,200)	-	63,600
China Modern Dairy Holdings Ltd	124,000	59,000	(33,000)	-	150,000
China New Higher Education Group Ltd	59,700	-	(12,000)	-	47,700
China Oilfield Services Ltd	-	110,000	(4,000)	-	106,000
China Oriental Group Co Ltd	-	70,000	(2,000)	-	68,000
China Overseas Grand Oceans Group Ltd	129,100	-	(29,000)	-	100,100
China Railway Construction Corp	-	125,500	(3,500)	-	122,000
China Railway Signal & Communication Corp	122,000	-	(27,000)	-	95,000
China Reinsurance Group Corp	-	415,000	(415,000)	-	-
China Renaissance Holdings Ltd	-	8,300	-	-	8,300
China Resources Medical Holdings Co Ltd	63,500	-	(12,500)	-	51,000
China Risun Group Ltd	79,000	18,000	(19,000)	-	78,000
China SCE Group Holdings Ltd	143,400	-	(40,000)	-	103,400
China SCE Group Holdings Ltd Nil Paid Rights 23/06/2021	-	-	(3,133)	3,133	-
China Shineway Pharmaceutical Group Ltd	22,900	-	(22,900)	-	-
China South City Holdings Ltd	-	352,000	(10,000)	-	342,000
China Tobacco International HK Co Ltd	16,000	-	(4,000)	-	12,000
China Travel International Investment Hong Kong Ltd	172,000	-	(34,000)	-	138,000
China Water Affairs Group Ltd	66,300	-	(14,000)	-	52,300
China Zhongwang Holdings Ltd	-	101,600	-	-	101,600
Chinasoft International Ltd	173,003	4,000	(177,003)	-	-

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2021

Listed equities (continued)	Holdings as at 1 January 2021	Additions	Disposals	Corporate actions	Holdings as at 31 December 2021
Hong Kong (continued)					
Chongqing Rural Commercial Bank Co Ltd	-	140,000	(3,000)	-	137,000
Chow Sang Sang	29,000	-	(6,000)	-	23,000
Cifi Ever Sunshine Services Group (formerly known as Ever Sunshine Lifestyle Services Group Limited)	56,000	-	(56,000)	-	-
Cimc Enric Holdings Ltd	54,000	2,000	(14,000)	-	42,000
CITIC Telecom International Holdings Ltd	124,200	-	(24,000)	-	100,200
Citychamp Watch & Jewellery	118,500	-	(24,000)	-	94,500
CK Life Sciences International (Holdings) Inc	-	180,000	-	-	180,000
C-Mer Eye Care Holdings Ltd	34,000	-	(8,000)	-	26,000
CMGE Technology Group Ltd	114,000	16,000	(22,000)	-	108,000
COFCO Meat Holdings Ltd	132,000	-	(26,000)	-	106,000
Colour Life Services Group	38,000	-	(38,000)	-	-
Comba Telecom Systems Holdings Ltd	144,000	-	(28,000)	-	116,000
COSCO Shipping Holdings Co Ltd H Shares	194,500	6,500	(248,550)	47,550	-
CSC Financial Co Ltd H Shares	61,700	-	(13,500)	-	48,200
Cstone Pharmaceuticals	-	68,000	(2,000)	-	66,000
CT Environmental Group Ltd	238,000	-	-	-	238,000
Dah Sing Financial Holdings Ltd	13,600	-	(2,800)	-	10,800
Datang International Power Generation Co Ltd	-	190,000	(6,000)	-	184,000
Digital China Holdings Ltd	57,000	4,000	(10,000)	-	51,000
Dongyue Group Ltd	89,700	4,000	(21,000)	-	72,700
E-House China Enterprise Holdings Ltd	52,800	-	(15,900)	-	36,900
Excellence Commercial Property & Facilities Management Group Ltd	-	23,000	(1,000)	-	22,000
Fantasia Holdings Group Co Ltd	112,200	-	(4,500)	-	107,700
FIH Mobile Ltd	255,000	-	(59,000)	-	196,000
First Pacific Co Ltd	-	168,000	(16,000)	-	152,000
Flat Glass Group Co Ltd	-	27,000	(1,000)	-	26,000
Fosun Tourism Group	-	15,000	-	-	15,000
Frontage Holdings Corp	62,000	6,000	(12,000)	-	56,000
Fu Shou Yuan International	103,900	-	(22,000)	-	81,900

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2021

Listed equities (continued)	Holdings as at 1 January 2021	Additions	Disposals	Corporate actions	Holdings as at 31 December 2021
Hong Kong (continued)					
GCL-Poly Energy Holdings Ltd	1,114,000	269,000	(1,383,000)	-	-
Genertec Universal Medical Group Co Ltd	84,000	-	(32,500)	-	51,500
Genor Biopharma Holdings Ltd	-	18,000	-	-	18,000
Glory Sun Financial Group Ltd	472,000	504,000	(488,000)	-	488,000
Greenland Hong Kong Holdings Ltd	66,600	-	(15,000)	-	51,600
Guangzhou Pharmaceutical Holdings Co Ltd	14,000	-	(14,000)	-	-
Guorui Properties Ltd	86,000	-	(86,000)	-	-
Guotai Junan International Holdings Hangzhou Tigermed Consulting Co Ltd	-	179,000	(5,000)	-	174,000
Hengten Networks Group Ltd	-	7,800	(600)	-	7,200
Hong Kong Television Network Ltd	1,684,000	168,400	(1,852,400)	-	208,400
Hope Education Group Co Ltd	-	36,000	-	-	36,000
Huabao International Holdings Ltd	190,000	40,000	(38,000)	-	192,000
Huijing Holdings Co Ltd	70,000	-	(70,000)	-	-
Hutchison Telecommunications Hong Kong Holdings Ltd	82,000	-	(16,000)	-	66,000
iDreamSky Technology Holdings Ltd	112,000	-	(22,000)	-	90,000
IGG Inc	47,600	-	(47,600)	-	-
Jacobio Pharmaceuticals Group Co Ltd	69,776	2,000	(18,000)	-	53,776
Jiangsu Expressway Co Ltd	-	21,000	-	-	21,000
Jinchuan Group Intl Resources Co Ltd	-	74,000	(2,000)	-	72,000
Jinke Smart Services Group Co Ltd	-	191,000	-	-	191,000
Jiumaojiu International Holdings Ltd	-	19,400	(200)	-	19,200
JNBY Design Ltd	44,000	-	(44,000)	-	-
Joy Spreader Group Inc	11,500	-	(11,500)	-	-
Junshi Bio	-	54,000	-	-	54,000
JW Cayman Therapeutics Co Ltd	-	10,200	(600)	-	9,600
Kasen International Holdings Ltd	-	17,500	(1,000)	-	16,500
	56,000	-	(56,000)	-	-

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2021

Listed equities (continued)	Holdings as at 1 January 2021	Additions	Disposals	Corporate actions	Holdings as at 31 December 2021
Hong Kong (continued)					
Kintor Pharmaceutical Ltd	-	17,000	-	-	17,000
KWG Living Group Holdings Ltd	-	71,000	(4,000)	-	67,000
Lifestyle International Holdings Ltd	-	28,000	(28,000)	-	-
Lifetech Scientific Corp	245,369	48,000	(62,000)	-	231,369
Livzon Pharmaceutical Group Inc	12,379	-	(2,900)	-	9,479
Lonking Holdings Ltd	145,400	-	(29,000)	-	116,400
Luk Fook Holdings International Ltd	-	23,000	(2,000)	-	21,000
Lvgem China Real Estate Investment Co Ltd	98,000	-	(4,000)	-	94,000
Meitu Inc	134,000	-	(27,000)	-	107,000
MH Development Ltd (formerly known as Camsing International Holding Ltd)	40,000	-	-	-	40,000
Minsheng Education Group Co Ltd	82,400	-	(82,400)	-	-
Mobvista Inc	29,000	1,000	(6,000)	-	24,000
Mulsanne Group Holding Ltd	19,000	2,000	(21,000)	-	-
Netdragon Websoft Holdings Ltd	13,000	-	(3,000)	-	10,000
Nissin Foods Co Ltd	25,000	-	(6,000)	-	19,000
Ocumension Therapeutics	-	21,000	-	-	21,000
Pacific Basin Shipping Ltd	360,400	10,000	(88,000)	-	282,400
Pacific Textiles Holdings Ltd	80,000	-	(16,000)	-	64,000
Perennial Energy Holdings Ltd	-	50,000	-	-	50,000
Pharmaron Beijing Co Ltd	9,600	300	(2,400)	-	7,500
Poly Property Group Co Ltd	-	125,000	(3,000)	-	122,000
Poly Property Services Co Ltd	11,000	400	(2,600)	-	8,800
Powerlong Commercial management Holdings Ltd	14,000	500	(1,000)	-	13,500
Q Technology Group Company Ltd	35,000	1,000	(7,000)	-	29,000
Radiance Holdings Group Co Ltd	-	50,000	-	-	50,000
Realord Group Holdings Ltd	32,900	-	(6,000)	-	26,900
Redco Group	79,600	-	(26,000)	-	53,600
Redsun Properties Group Ltd	77,000	-	(17,000)	-	60,000
Remegen Co Ltd	-	6,500	-	-	6,500
Road King Infrastructure Ltd	17,000	-	(3,000)	-	14,000
Ronshine China Holdings Ltd	-	35,500	-	-	35,500
S Enjoy Service Group Co Ltd	-	19,000	(1,000)	-	18,000
Sany Heavy Equipment International Holdings Co Ltd	82,000	2,000	(19,000)	-	65,000
Scholar Education Group	-	10,000	-	-	10,000
Sciclone Pharmaceuticals Holdings Ltd	-	8,000	-	-	8,000

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2021

Listed equities (continued)	Holdings as at 1 January 2021	Additions	Disposals	Corporate actions	Holdings as at 31 December 2021
Hong Kong (continued)					
Shandong Gold Mining Co Ltd	47,300	1,250	(8,250)	-	40,300
Shanghai Electric Group Corp	202,000	-	(48,000)	-	154,000
Shanghai Industrial Hldgs Ltd	-	26,000	-	-	26,000
Sheng Ye Capital Ltd	31,500	-	(5,500)	-	26,000
Shenwan Hongyuan Group Co Ltd	-	108,800	(108,800)	-	-
Shenzhen Expressway Co Ltd	53,000	-	(53,000)	-	-
Shougang Fushan Resources Group Ltd	-	142,000	(4,000)	-	138,000
Shui On Land Limited	-	225,500	(6,000)	-	219,500
Shun Tak Holdings Ltd	102,000	-	(18,000)	-	84,000
Sihuan Pharmaceutical Holdings Group Ltd	-	273,000	(16,000)	-	257,000
Sinic Holdings Group Co Ltd	69,000	-	(14,000)	-	55,000
Sinofert Holdings Ltd	163,700	-	(36,000)	-	127,700
Sino-Ocean Group Holding Ltd	-	207,000	-	-	207,000
Sinopec Engineering Group Co Ltd	110,000	-	(110,000)	-	-
Sinopec Kantons Holdings Ltd	74,000	-	(14,000)	-	60,000
Sinopec Shanghai Petrochemical Co Ltd	236,000	-	(46,000)	-	190,000
Skyfame Realty Holdings Ltd	184,000	30,000	(36,000)	-	178,000
Skyworth Group Ltd	114,000	-	(26,000)	-	88,000
Smartone Telecommunications Holdings Ltd	26,000	-	(26,000)	-	-
SunCity Group Holdings Ltd	160,000	-	(160,000)	-	-
Sunevision Hldgs Ltd	-	44,000	(2,000)	-	42,000
TCL Multimedia Technology Holdings Ltd	64,000	5,000	(11,000)	-	58,000
Texhong Textile Group Ltd	21,600	-	(5,000)	-	16,600
Tian Lun Gas Holdings Ltd (formerly known as China Tian Lun Gas Holdings Limited)	39,000	-	(8,000)	-	31,000
Tiangong International Co Ltd	78,000	12,000	(6,000)	-	84,000
Tianli Education International Holdings Ltd	86,000	2,000	(15,000)	-	73,000
Tianneng Power International Ltd	55,400	-	(12,000)	-	43,400
Times Neighborhood Holdings Ltd	41,000	-	(7,000)	-	34,000
Towngas China Co Ltd	-	62,000	-	-	62,000
United Laboratories Ltd	75,800	-	(14,000)	-	61,800
Value Partners Group Ltd	91,000	-	(18,000)	-	73,000
Venus Medtech Hangzhou Inc	-	21,000	(21,000)	-	-
VIVA Biotech Holdings Ltd	50,000	5,000	(2,500)	-	52,500

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MOVEMENTS IN INVESTMENT PORTFOLIO (continued)

Year ended 31 December 2021

Listed equities (continued)	Holdings as at 1 January 2021	Additions	Disposals	Corporate actions	Holdings as at 31 December 2021
Hong Kong (continued)					
Vobile Group Ltd	-	82,000	(2,000)	-	80,000
Vpower Group International Holdings Ltd	50,000	-	(9,000)	-	41,000
VSTECs Holdings Ltd	50,000	-	(12,000)	-	38,000
Weimob Inc	127,000	-	(127,000)	-	-
West China Cement Ltd	168,021	12,000	(32,000)	-	148,021
Wisdom Education International Holdings Co Ltd	58,000	-	(10,000)	-	48,000
XD Inc	17,000	400	(17,400)	-	-
Xiabuxiabu Catering Management (China) Holdings Co Ltd	49,000	-	(9,500)	-	39,500
Xinjiang Goldwind Sci & Tech	58,316	-	(15,200)	-	43,116
Xtep International Holdings	94,657	10,500	(20,500)	-	84,657
Yadea Group Holdings Ltd	78,000	-	(78,000)	-	-
Yeahka Ltd	16,000	-	(16,000)	-	-
YiChang HEC ChangJiang Pharmaceutical Co Ltd	20,200	-	(20,200)	-	-
Yuexiu Transport Infrastructure Ltd	76,000	-	(16,000)	-	60,000
Zhaojin Mining Industry Co Ltd	88,549	-	(19,500)	-	69,049
Zhejiang Expressway Co Ltd	108,000	-	(24,000)	-	84,000
Zhuguang Holdings Group Co Ltd	168,100	-	(38,000)	-	130,100
Zoomlion Heavy Industry Science and Technology Co Ltd	104,400	2,000	(13,600)	-	92,800
Unlisted Securities					
Car Inc	-	46,000	(46,000)	-	-
China Huiyuan Juice Group Ltd	51,300	-	-	-	51,300
Fuguiniao Co Ltd	93,800	-	-	-	93,800
Hua Han Health Industry Holding Co Ltd	849,100	-	-	-	849,100
Jiangxi Ganfeng Lithium Co Ltd	-	20,400	(3,400)	-	17,000
New Sports Group Ltd	-	49,044	-	-	49,044
Shougang Concord Intl Enterpris Ltd	-	176,000	-	-	176,000
SMI Holdings Ltd	89,060	-	-	-	89,060
Southern Energy Holdings Group Ltd	54,000	-	-	-	54,000

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PERFORMANCE RECORD

Year ended 31 December 2021

Net asset value

	Net asset value per unit HKD	Total net asset value HKD
As at:		
31 December 2021	25.4690	50,938,019
31 December 2020	27.5138	55,027,557
31 December 2019	22.1463	44,292,628

1) Highest issue price and lowest redemption price per unit

	Highest issue unit price HKD	Lowest redemption unit price HKD
During the year/period ended:		
Year ended 31 December 2021	36.2846	24.4542
Year ended 31 December 2020	27.5138	17.7681
Year ended 31 December 2019	26.0578	20.6104
Year ended 31 December 2018	30.5382	21.5651
Year ended 31 December 2017	26.9638	21.8035
Period from 23 October 2015 (date of inception) to 31 December 2016	25.1006	18.9425

2) Comparison of the scheme performance and the actual Index performance ¹

The table below illustrates the comparison between the Sub-Fund's performance (Market-to-Market) and that of the Index during the following year/period:

	The Index	The Sub-Fund
During the year/period ended:		
31 December 2021	-6.54%	-9.37%
31 December 2020	28.13%	28.13%
31 December 2019	4.97%	-2.08%
31 December 2018	-14.72%	-14.62%
31 December 2017 ²	25.09%	20.76%
31 December 2016 ³	-10.75%	-16.53%

¹ Past performance figures shown are not indicative of the future performance of the Sub-Fund.

² The performance of the Sub-Fund prior to 3 March 2017 was achieved under circumstances that no longer apply. The underlying index was changed from the Hang Seng Composite SmallCap Index to the Hang Seng Stock Connect Hong Kong SmallCap Index on 3 March 2017.

³ The first financial period of the Sub-Fund covered from 23 October 2015 (date of inception) to 31 December 2016.

