

CIMB-PRINCIPAL CHINA DIRECT OPPORTUNITIES FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 8 MARCH 2018 (DATE OF LAUNCH)

TO 28 FEBRUARY 2019

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INVESTORS' LETTER

Dear Valued Investor,

Thank you for your continued support and for the confidence that you have placed in us. CIMB-Principal Asset Management Berhad ("CIMB-Principal") Malaysia has achieved RM60.58 billion in Asset under Management ("AUM") as of December 2018.

We continue to achieve prestigious recognitions from **The Edge | Thomson Reuters Lipper Fund Awards 2018 for the following funds:**

- Best Fund Over 5 Years, Equity Global - Malaysia: CIMB-Principal Global Titans Fund
- Best Fund Over 5 Years, Equity Asia Pacific ex Japan - Malaysia: CIMB-Principal Asian Equity Fund
- Best Fund Over 5 Years, Equity Asia Pacific ex Japan - Malaysia: CIMB Islamic Asia Pacific Equity Fund
- Best Fund Over 5 Years, Equity Malaysia Diversified - Malaysia: CIMB-Principal Equity Growth & Income Fund
- Best Fund Over 5 Years, Mixed Asset MYR Bal - Malaysia: CIMB-Principal Income Plus Balanced Fund
- Best Fund Over 3 Years, Equity Global - Malaysia: CIMB-Principal Global Titans Fund

In addition, we received recognition from Fundsupermart.com for 'Fund House of the Year' award and Recommended Unit Trust 2018/2019 awards for the funds below:

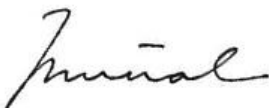
- CIMB-Principal Global Titans Fund
- CIMB-Principal Asia Pacific Dynamic Income Fund
- CIMB Islamic Asia Pacific Equity Fund
- CIMB-Principal Greater China Equity Fund
- CIMB-Principal PRS Plus Conservative
- CIMB-Principal PRS Plus Growth

Our latest win is for **The Asset Triple A Private Banking, Wealth Management, Investment and Exchange-Traded Fund ("ETF") Awards 2018**, where we have been recognized as the 'Best Wealth Manager' in Malaysia.

These prestigious awards are a celebration of the trust that you have placed in us and testament to our capability in bringing potential value to your financial goals and needs. We look forward to serving you for many years to come.

Thank you.

Yours faithfully,
for **CIMB-Principal Asset Management Berhad**



Munirah Khairuddin
Chief Executive Officer

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund seeks opportunities through investment primarily in China A-Shares with the aim to provide capital appreciation.

Has the Fund achieved its objective?

For the financial period under review, the Fund has yet to achieve its objective as the Fund is new and growing in size.

What are the Fund investment policy and principal investment strategy?

The Fund will invest at least 70% of its Net Asset Value ("NAV") (both inclusive) in equities that are listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange ("China A-Shares") directly via Renminbi Qualified Foreign Institutional Investor ("RQFII") quota. Under general market conditions, the Fund will seek opportunities within the China A-Shares universe by focusing mainly in mid-capitalization and/or small-capitalization companies which we believe will exhibit good growth potential when compared against its peers or the overall market. The Fund may invest the remaining of its NAV in liquid assets, i.e. Deposits and money market instruments for liquidity purpose.

We have appointed CCB Principal Asset Management Co. Ltd. ("CCBPAM"), a company incorporated in China, as the Sub-Adviser of the Fund ("Sub-Adviser"). CCBPAM will provide investment research and stock recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund. The Sub-Adviser utilizes CCBPAM's in-house developed proprietary multi-factor model as a tool for the stock selection and portfolio construction. The multiple factors embedded within the model act as the criteria in the stock selection and portfolio construction by taking into account the elements that will affect the investment returns, ranging from fundamental, technical to sentimental aspect. The factors are actively revised, where they can be adjusted continuously in accordance with changes in the market.

We will adopt an active investment strategy with frequency that will depend on the market conditions and the market outlook. Risk management, with an emphasis on portfolio diversification, will form an integral part of the investment process. The Fund is constructed and managed within guidelines including risk returns trade-off, which will be monitored and reviewed regularly by the investment management team. The risk management strategies and techniques employed include diversification of the Fund's asset allocation in terms of its exposure to various sectors, industries and companies. In times of adversity in equity markets and as part of its risk management strategy, we may take temporary defensive positions that may detract from the Fund's prescribed asset allocation. We may from time to time reduce the proportion of equities and increase the asset allocation to liquid assets such as money market instruments and/or Deposits to safeguard the investment portfolio of the Fund.

When deemed necessary, we may also utilize derivatives instruments, subject to the Securities Commission Malaysia ("SC") Guidelines, for purpose of hedging. In the event of a downgrade of a counter-party of an over-the-counter ("OTC") derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

Asset Allocation

- at least 70% of the Fund's NAV (both inclusive) will be invested in equities; and
- up to 30% of the Fund's NAV may be invested in liquid assets.

Base Currency

Chinese Yuan Renminbi ("RMB")

Fund category/type

Equity/Growth

FUND OBJECTIVE AND POLICY (CONTINUED)

How long should you invest for?

Recommended five (5) years or more

Indication of short-term risk (low, moderate, high)

High

When was the Fund launched?

Class MYR, Class SGD & Class USD

8 March 2018

What was the size of the Fund as at 28 February 2019?

RMB737.08 million (458.37 million units)

What is the Fund's benchmark?

China Securities Index ("CSI") 500 Index

Note: The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is different from the benchmark. Information on the benchmark can be obtained from <http://www.csindex.com.cn/en>.

What is the Fund distribution policy?

The Fund Manager have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund. We also have the right to make provisions for reserves in respect of distribution of the Class.

What was the net income distribution for the financial period from 8 March 2018 (date of launch) to 28 February 2019?

There was no distribution made for the financial period from 8 March 2018 (date of launch) to 28 February 2019.

PERFORMANCE DATA

Details of portfolio composition of the Fund for the financial period are as follows:

	08.03.2018 (date of launch) to 28.02.2019 %
Quoted securities	
- Communication Services	5.00
- Consumer Discretionary	9.47
- Consumer Staples	6.06
- Energy	3.12
- Financials	2.86
- Health Care	7.51
- Industrials	22.96
- Information Technology	8.61
- Materials	18.58
- Real Estate	7.17
- Utilities	3.65
Cash and other net assets	5.01
	<hr/> <hr/> 100.00

PERFORMANCE DATA (CONTINUED)

Performance details of the Fund for the financial period are as follows:

**08.03.2018
(date of launch)
to 28.02.2019**

NAV (RMB Million)	
- Class MYR	571.01
- Class SGD	21.14
- Class USD	144.93
Units in circulation (Million)	
- Class MYR	425.38
- Class SGD	5.30
- Class USD	27.69
NAV per unit (RMB)	
- Class MYR	1.3424
- Class SGD	3.9854
- Class USD	5.2342
Highest NAV per unit (RMB)	
- Class MYR	1.6466
- Class SGD	4.8888
- Class USD	6.4210
Lowest NAV per unit (RMB)	
- Class MYR	1.1202
- Class SGD	3.3259
- Class USD	4.3681
Total return (%)	
- Class MYR	(18.49)
- Class SGD	(19.58)
- Class USD	(21.82)
Capital growth (%)	
- Class MYR	(18.49)
- Class SGD	(19.58)
- Class USD	(21.82)
Income distribution (%)	
- Class MYR	-
- Class SGD	-
- Class USD	-
Management Expense Ratio ("MER") (%)	3.08
Portfolio Turnover Ratio ("PTR") (times) #	5.01

For the financial period under review, the Fund's PTR was stood at 5.01 times, which was due to investment activities on the back of inflow of units creation.

PERFORMANCE DATA (CONTINUED)

**Since inception
to 28.02.2019
%**

Annual total return	
- Class MYR	(18.49)
- Class SGD	(19.58)
- Class USD	(21.82)

(Launch date of Class MYR, Class SGD & Class USD: 8 March 2018)

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures for the financial period have been extracted from Lipper.

MARKET REVIEW (8 MARCH 2018 (DATE OF LAUNCH) TO 28 FEBRUARY 2019)

In April 2018, the China A-Share market in general experienced a slight decline with CSI 300 Index, CSI 500 Index and CSI 1000 Index, which represent big-cap, mid-cap and small-cap market, dropped by 3.63%, 4.15% and 4.14% respectively. The market overall held a slightly cautious view. Peripheral bear news which includes the trade friction between China and the US continued to hurt market sentiment which lead to the declining price of Technology stocks on American stock market, are not completely eliminated.

The overall China A-Share market experienced a slight differentiation in May 2018. The CSI 300 Index rose by 1.04% while the CSI 500 Index and CSI 1000 Index declined 1.73% and 3.92% due to negative factors such as repeated trade frictions between China and the US, intensive Initial Public Offering (“IPO”) of Unicorn companies and credit default risks. The risk preferences and market sentiments have been repressed. The direction of market was not clear and the style changed quickly, plus the high possibility of interest rising by US Federal Reserve (the “Fed”) which caused the views of the market to remain relatively cautious.

In July 2018, CSI 300 Index rose by 0.19% but CSI 500 Index and CSI 1000 Index fell by 0.56% and 1.18%. The market expectation and interpretation of macro policy reached to a confused period. Negative sentiments and the uncertain trade disputes between China and the US continued to weigh on market sentiment in the short term.

In August 2018, the overall China A-Share market experienced a decline. Market turnovers in August 2018 were in abnormally low level and shrank by RMB1.2 trillion comparing to July 2018. Moreover, risk appetite dropped as current stimulus policies were restricted by several factors. Markets were expected to continuously fluctuate in a weak state. However, financing index and capitals from Hong Kong has risen, and the buy-back amount of listed companies has set a highest record of the year.

The overall China A-Share market experienced a fluctuation in September 2018. The performances of CSI 300 Index, CSI 500 Index and CSI 1000 Index were increase by 3.13%, decrease by 0.29% and 1.40% respectively. Among the 28 sectors, 17 increased and 11 went down, of which the highest increase was food & beverage sector, i.e. 8.38% and the largest drop was electronic sector, i.e. 6.79%. All leading economic indicators witnessed a decline while the impact of Sino-US trade frictions gradually emerged and production activity remains sluggish.

In November 2018, the overall China A-Share market experienced a growth. The performances of CSI 300 Index, CSI 500 Index and CSI 1000 Index were increased by 0.60%, 2.44% and 5.63% respectively. The Group of Twenty (“G20”) meeting was fruitful as the leaders of China and the US agreed not to impose additional tariffs until January 2019 with negotiations between the two sides continued. The Fed latest monetary policy meeting showed that the US interest rate hike cycle was expected to end earlier than scheduled. A better external environment is expected to boost market sentiment.

MARKET REVIEW (8 MARCH 2018 (DATE OF LAUNCH) TO 28 FEBRUARY 2019) (CONTINUED)

Performances of CSI 300 Index, CSI 500 Index and CSI 1000 Index were decreased by 4.54%, 2.45% and increased by 0.67% respectively in December 2018. The steel industry witnessed the biggest decline of 14.76% while the biggest growth was from the communication industry, whose growth rate was 8.81%. However, market sentiment was weak and the market continued its drawdown since late November 2018.

At the beginning of 2019, economic data showed some resilience characteristics, but the enterprise sector was still in the stage of active inventory removal. Purchasing Manager’s Index (“PMI”) demand-side indicators have not yet improved in an all round way. Coal consumption for power generation and the national blast furnace utilisation rate was equal to that in the fourth quarter of 2018.

In February 2019, China A-Shares market experienced rapid growth. The performances of CSI 300 Index, CSI 500 Index and CSI 1000 Index were increased by 14.61%, 20.32% and 22.38% respectively. All 28 sectors increased in February 2019, among which the Electronics (28.77%), Computers (27.98) and Communications (27.87%) sectors ranked top 3.

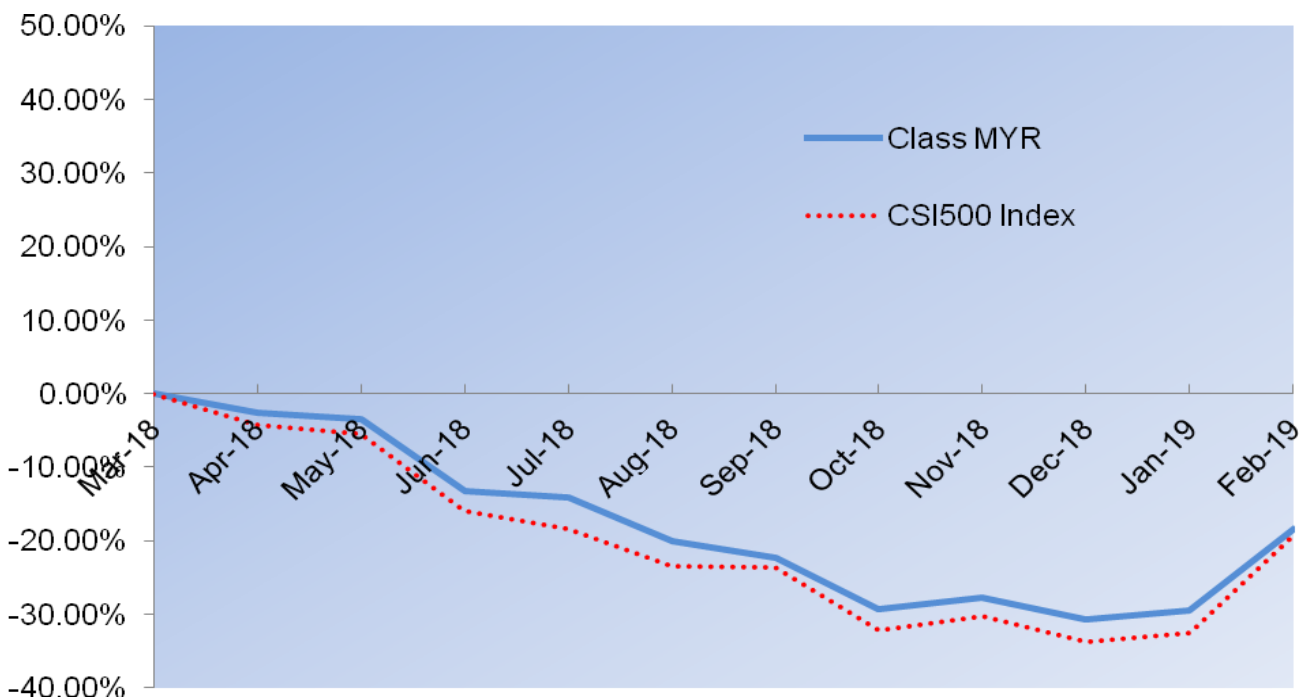
FUND PERFORMANCE

Since inception to 28.02.2019

	Class MYR	Class SGD	Class USD
	%	%	%
Income	-	-	-
Capital	(18.49)	(19.58)	(21.82)
Total Return	(18.49)	(19.58)	(21.82)
Benchmark	(19.24)	(20.41)	(22.38)
Average Total Return	N/A	N/A	N/A

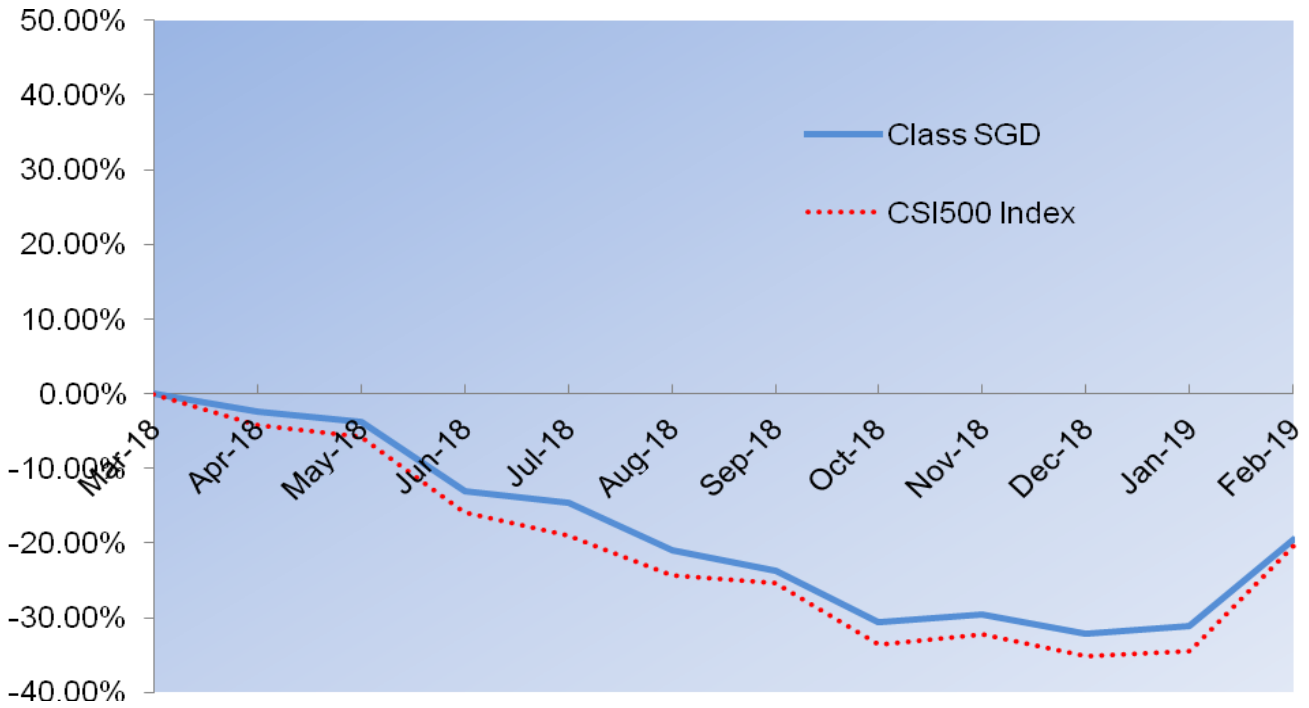
Since inception, Class MYR, Class SGD and Class USD declined by 18.49%, 19.58% and 21.82% respectively but managed to outperform their benchmark which fell by 19.24%, 20.41% and 22.38% respectively within the same financial period.

Class MYR

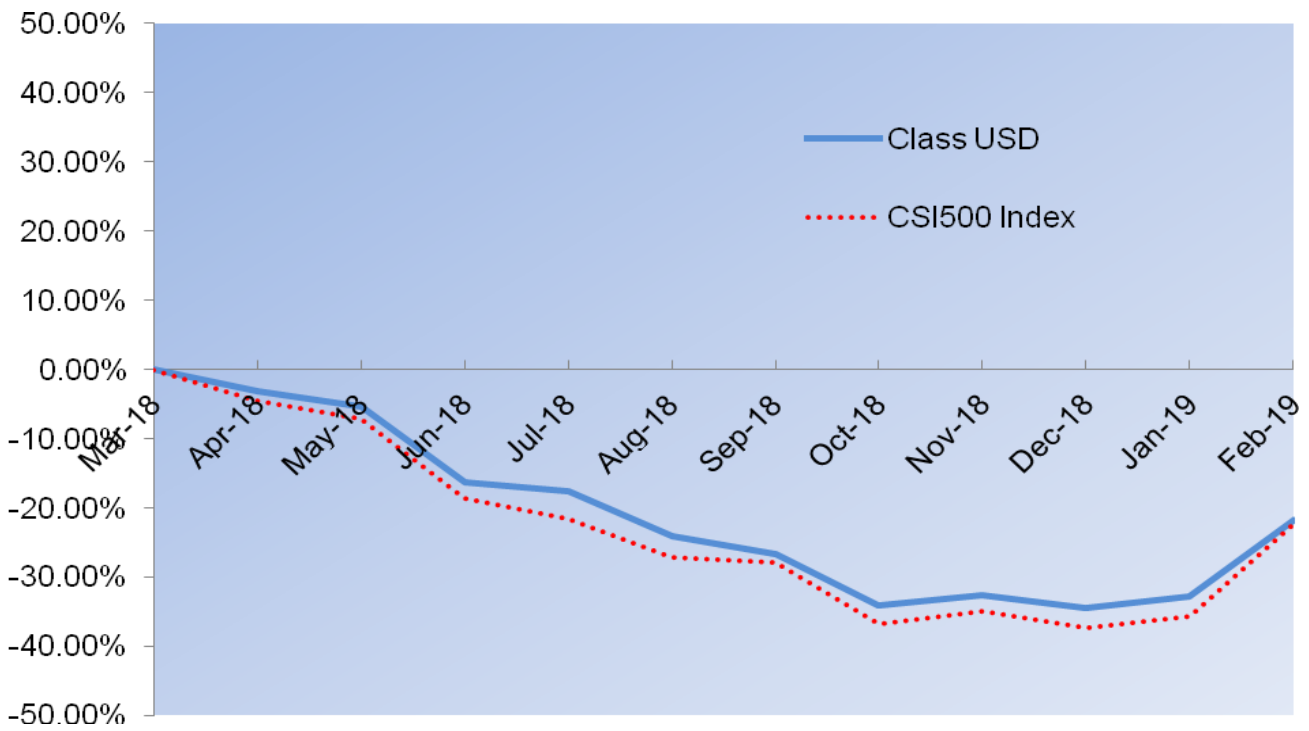


FUND PERFORMANCE (CONTINUED)

Class SGD



Class USD



FUND PERFORMANCE (CONTINUED)

Changes in NAV

28.02.2019

Class MYR

NAV (RMB Million)	571.01
NAV/Unit (RMB)	1.3424

Class SGD

NAV (RMB Million)	21.14
NAV/Unit (RMB)	3.9854

Class USD

NAV (RMB Million)	144.93
NAV/Unit (RMB)	5.2342

The Fund recorded positive net inflow from unit creations over the financial period for Class MYR, Class SGD and Class USD and its NAV per unit were stood at RMB1.3424, RMB3.9854 and RMB5.2342 respectively. During the financial period under review, the Class MYR has the largest NAV which stood at RMB571.01 million.

Performance data represents the combined income and capital return as a result of holding units in the Fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the Fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures for the financial period have been extracted from Lipper.

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	28.02.2019
Quoted securities	94.99
Cash and other net assets	5.01
TOTAL	100.00

During the financial period under review, the Fund was fully invested with minimal level of liquid assets maintained primarily for redemption purposes. At the reporting date, a material amount of creations was still sitting in receivables.

MARKET OUTLOOK*

At the policy level, the launch of Science Innovation Board (“SIB”) and moderately loose supervision of capital market are expected to increase market risk preference. Sino-US trade disputes will be eased, the core external risks suppressing the market, among which the most influential is the Sino-US trade conflict, are expected to be lifted. At the same time, accompanying the market growth, the valuation has been restored substantially and the investment profits increased rapidly which needs to be realized. Consequently, it is expected that the short-term market will enter a pattern of fluctuation and differentiation.

* This market outlook does not constitute an offer, invitation, commitment, advice or recommendation to make a purchase of any investment. The information given in this article represents the views of CIMB-Principal or based on data obtained from sources believed to be reliable by CIMB-Principal. Whilst every care has been taken in preparing this, CIMB-Principal makes no guarantee, representation or warranty and is under no circumstances liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this market outlook.

INVESTMENT STRATEGY

The Fund will continue to remain fully invested primarily in China A-Shares stocks with minimal cash kept for liquidity purposes.

UNIT HOLDINGS STATISTICS

Breakdown of unit holdings by size as at 28 February 2019 are as follows:

Class MYR

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	83	0.14	0.03
5,001 - 10,000	41	0.28	0.07
10,001 - 50,000	109	2.67	0.63
50,001 - 500,000	38	3.76	0.88
500,001 and above	4	418.53	98.39
Total	275	425.38	100.00

Class SGD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	1	0.01	0.19
10,001 - 50,000	1	0.02	0.38
50,001 - 500,000	-	-	-
500,001 and above	2	5.27	99.43
Total	5	5.30	100.00

Class USD

Size of unit holdings (units)	No. of unit holders	No. of units held (million)	% of units held
5,000 and below	1	0.00	0.00
5,001 - 10,000	-	-	-
10,001 - 50,000	1	0.05	0.18
50,001 - 500,000	1	0.10	0.36
500,001 and above	3	27.54	99.46
Total	6	27.69	100.00

SOFT COMMISSIONS AND REBATES

CIMB-Principal Asset Management Berhad (the “Manager”) and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Funds unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

During the financial period under review, the Manager and Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL CHINA DIRECT OPPORTUNITIES FUND**

We, being the Directors of CIMB-Principal Asset Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 16 to 53 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 28 February 2019 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period from 8 March 2018 (date of launch) to 28 February 2019 in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager
CIMB-Principal Asset Management Berhad
(Company No.: 304078-K)

MUNIRAH KHAIRUDDIN
Chief Executive Officer/Executive Director

PEDRO ESTEBAN BORDA
Director

Kuala Lumpur
17 April 2019

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL CHINA DIRECT OPPORTUNITIES FUND**

We have acted as Trustee of CIMB-Principal China Direct Opportunities Fund (the "Fund") for the financial period from 8 March 2018 (date of launch) to 28 February 2019. To the best of our knowledge, CIMB-Principal Asset Management Berhad, (the "Manager"), has operated and managed the Fund in accordance with the following:-

- a) limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation/pricing is carried out in accordance with the Deed and any regulatory requirements; and
- c) creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Manager, Investment Compliance Monitoring

Kuala Lumpur
17 April 2019

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL CHINA DIRECT OPPORTUNITIES FUND**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of CIMB-Principal China Direct Opportunities Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 28 February 2019, and of its financial performance and its cash flows for the financial period from 8 March 2018 (date of launch) to 28 February 2019 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 28 February 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from 8 March 2018 (date of launch) to 28 February 2019, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 53.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL CHINA DIRECT OPPORTUNITIES FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL CHINA DIRECT OPPORTUNITIES FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF
CIMB-PRINCIPAL CHINA DIRECT OPPORTUNITIES FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
17 April 2019

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 8 MARCH 2018 (DATE OF LAUNCH) TO 28 FEBRUARY
2019**

	Note	08.03.2018 (date of launch) to 28.02.2019 RMB
LOSS		
Dividend income		6,722,564
Interest income from deposits with licensed financial institutions at amortised cost		346,346
Net loss on financial assets at fair value through profit or loss	7	(73,039,158)
Net foreign exchange loss		<u>(303,732)</u>
		<u>(66,273,980)</u>
EXPENSES		
Management fee	4	10,141,732
Trustee's and custodian fee	5	7,417,478
Audit fee		27,000
Tax agent's fee		16,933
Transaction costs		9,804,200
Other expenses		<u>419,393</u>
		<u>27,826,736</u>
LOSS BEFORE TAXATION		(94,100,716)
Taxation	6	<u>726,344</u>
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u>(94,827,060)</u>
Loss after taxation is made up as follows:		
Realised amount		(162,376,307)
Unrealised amount		<u>67,549,247</u>
		<u>(94,827,060)</u>

The accompanying notes to the financial statements form an integral part of the audited financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2019**

	Note	28.02.2019 RMB
ASSETS		
Cash and cash equivalents	8	38,470,583
Financial assets at fair value through profit or loss	7	700,120,921
Amount due from stockbrokers		86,288,702
Amount due from Manager		5,509,208
Clearing reserve fund	9	448,000
TOTAL ASSETS		<u>830,837,414</u>
LIABILITIES		
Amount due to stockbrokers		71,900,048
Amount due to Manager		20,814,981
Accrued management fee		975,437
Amount due to Trustee		32,515
Other payables and accruals		36,633
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>93,759,614</u>
NET ASSET VALUE OF THE FUND		<u>737,077,800</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>737,077,800</u>

The accompanying notes to the financial statements form an integral part of the audited financial statements.

**STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 28 FEBRUARY 2019**

	Note	28.02.2019 RMB
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS (RMB)		
- Class MYR		571,006,725
- Class SGD		21,136,747
- Class USD		<u>144,934,328</u>
		<u>737,077,800</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		
- Class MYR		425,377,910
- Class SGD		5,303,567
- Class USD		<u>27,689,920</u>
	10	<u>458,371,397</u>
NET ASSET VALUE PER UNIT (RMB)		
- Class MYR		1.3424
- Class SGD		3.9854
- Class USD		<u>5.2342</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- Class MYR		MYR0.8151
- Class SGD		SGD0.8042
- Class USD		<u>USD0.7818</u>

The accompanying notes to the financial statements form an integral part of the audited financial statements.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL PERIOD FROM 8 MARCH 2018 (DATE OF LAUNCH) TO 28 FEBRUARY
2019**

**08.03.2018
(date of launch)
to 28.02.2019
RMB**

**NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT
THE BEGINNING OF THE FINANCIAL PERIOD**

-

Movement due to units created and cancelled during the
financial period:

- Creation of units from applications

- Class MYR

714,094,602

- Class SGD

27,403,757

- Class USD

172,172,490

913,670,849

- Cancellation of units

- Class MYR

(54,005,316)

- Class SGD

(2,255,645)

- Class USD

(25,505,028)

(81,765,989)

Decrease in net assets attributable to unit holders during the
financial period

(94,827,060)

**NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT
THE END OF THE FINANCIAL PERIOD**

737,077,800

The accompanying notes to the financial statements form an integral part of the audited financial statements.

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 8 MARCH 2018 (DATE OF LAUNCH) TO 28 FEBRUARY
2019**

	Note	08.03.2018 (date of launch) to 28.02.2019 RMB
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities		2,437,358,749
Purchase of quoted securities		(3,234,711,683)
Dividend income received		6,722,564
Interest income received from deposits with licensed financial institutions		346,346
Clearing reserve fund contribution	9	(448,000)
Management fee paid		(9,166,295)
Trustee's and custodian fee paid		(7,384,963)
Payments for other fees and expenses		(426,692)
Net realised exchange loss		(1,792,718)
Tax paid		(726,344)
Net cash used in operating activities		<u>(810,229,036)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created		908,161,641
Payments for cancellation of units		(60,951,008)
Net cash generated from financing activities		<u>847,210,633</u>
Net increase in cash and cash equivalents		36,981,597
Effect of foreign exchange differences		1,488,986
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	8	<u>38,470,583</u>
Cash and cash equivalents comprised of:		
Deposits with licensed financial institutions		19,046,610
Bank balance		19,423,973
Cash and cash equivalents at the end of the financial period	8	<u>38,470,583</u>

The accompanying notes to the financial statements form an integral part of the audited financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 8 MARCH 2018 (DATE OF LAUNCH) TO 28 FEBRUARY
2019**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITIES

CIMB-Principal China Direct Opportunities Fund (the “Fund”) is governed by Principal Deed dated 22 January 2018 (the “Deed”), made between CIMB-Principal Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund will invest at least 70% of its NAV (both inclusive) in equities that are listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange (“China A-Shares”) directly via RQFII quota. Under general market conditions, the Fund will seek opportunities within the China A-Shares universe by focusing mainly in mid-capitalization and/or small-capitalization companies which the Manager believe will exhibit good growth potential when compared against its peers or the overall market. The Fund may invest the remaining of its NAV in liquid assets, i.e. Deposits and money market instruments for liquidity purpose.

The Manager have appointed CCBPAM, a company incorporated in China, as the Sub-Adviser of the Fund (“Sub-Adviser”). CCBPAM will provide investment research and stock recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund. The Sub-Adviser utilises CCBPAM’s in-house developed proprietary multi-factor model as a tool for the stock selection and portfolio construction. The multiple factors embedded within the model act as the criteria in the stock selection and portfolio construction by taking into account the elements that will affect the investment returns, ranging from fundamental, technical to sentimental aspect. The factors are actively revised, where they can be adjusted continuously in accordance with changes in the market.

The Manager will adopt an active investment strategy with frequency that will depend on the market conditions and the market outlook. Risk management, with an emphasis on portfolio diversification, will form an integral part of the investment process. The Fund is constructed and managed within guidelines including risk returns trade-off, which will be monitored and reviewed regularly by the investment management team. The risk management strategies and techniques employed include diversification of the Fund’s asset allocation in terms of its exposure to various sectors, industries and companies. In times of adversity in equity markets and as part of its risk management strategy, the Manager may take temporary defensive positions that may detract from the Fund’s prescribed asset allocation. The Manager may from time to time reduce the proportion of equities and increase the asset allocation to liquid assets such as money market instruments and/or Deposits to safeguard the investment portfolio of the Fund.

All investments are subjected to the SC Guidelines on Unit Trust Funds, SC requirements, the Deed, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Manager, a company incorporated in Malaysia, is jointly owned by CIMB Group Sdn Bhd and Principal International (Asia) Limited. The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS and IFRS.

The financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported year.

It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and assumptions are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 2(I).

(b) Financial assets and financial liabilities

Classification

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

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through Other Comprehensive Income ("OCI").

The Fund classifies cash and cash equivalents, amount due from stockbrokers, amount due from Manager, dividends receivable and clearing reserve fund at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals as other financial liabilities as financial liabilities subsequently measured at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement

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

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

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

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

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the financial year which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

Quoted securities are valued at the last traded market price quoted on the respective stock exchanges at the close of the business day of the respective stock exchanges.

If a valuation based on the market price does not represent the fair value of the quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Impairment for assets carried at amortised costs

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Manager consider both historical analysis and forward looking information in determining any expected credit loss. The Manager consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

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

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

(c) Income recognition

Dividend income is recognised on the ex-dividend date when the right to receive payment is established.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gain or loss on disposal of quoted securities is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted securities, determined on a weighted average cost basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currency

Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”).

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

- i) Significant portion of the NAV is invested in the form of quoted securities denominated in RMB.
- ii) Significant portion of the Fund’s expenses are denominated in RMB.
- iii) Significant portion of the cash is denominated in RMB for the purpose of making settlement of foreign trades.

Transactions and balances

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

(e) Cash and cash equivalents

For the purpose of statement of cash flow, cash and cash equivalents comprise bank balances and deposits held in highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

(f) Taxation

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

Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in.

(g) Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(h) Creation and cancellation of units**

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in three classes of units, known respectively as the Class MYR, Class SGD and Class USD, which are cancelled at the unit holder's option. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the member exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unit holders' option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to members of respective classes with the total number of outstanding units of respective classes.

(i) Amount due from/to stockbrokers

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

These amounts are subsequently measured at amortised cost. At each reporting date, the Fund measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

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

(j) Transactions costs

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, stockbrokers and dealers, and stamp duty and special levy. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

(l) Critical accounting estimates and judgements in applying accounting policies

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on Unit Trust Funds.

However, the Manager is of the opinion that in applying these accounting policies, no significant judgement was required.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss RMB	Financial assets at amortised cost RMB	Total RMB
2019			
Cash and cash equivalents (Note 8)	-	38,470,583	38,470,583
Quoted securities (Note 7)	700,120,921	-	700,120,921
Amount due from stockbrokers	-	86,288,702	86,288,702
Amount due from Manager	-	5,509,208	5,509,208
Other receivable	-	448,000	448,000
	<u>700,120,921</u>	<u>130,716,493</u>	<u>830,837,414</u>

All current liabilities are financial liabilities which are carried at amortised cost.

The investment objective of the Fund is to grow the value of investments over the long-term through investment in China A-Shares.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deed and SC Guidelines on Unit Trust Funds.

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of an investment in quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of quoted securities may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and selection of quoted securities and other financial instruments within specified limits according to the Deed.

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

	2019 RMB
Financial assets at fair value through profit or loss:	
- Quoted securities	<u>700,120,921</u>

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Price risk (continued)

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of quoted securities at the end of each reporting year. The analysis is based on the assumptions that the price of the quoted securities fluctuated by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

% Change in price of quoted securities	Market value RMB	Impact on profit or loss and NAV RMB
2019		
-5%	665,114,875	(35,006,046)
0%	700,120,921	-
+5%	<u>735,126,967</u>	<u>35,006,046</u>

(ii) Interest rate risk

Interest rate is a general economic indicator that will have an impact on the management of the Fund.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's exposure to fair value interest rate risk arises from investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable interest rate.

As at the financial period, the Fund is not exposed to a material level of interest rate risk.

(iii) Currency risk

Currency risk of the Fund is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus RMB based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(iii) Currency risk (continued)

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currencies of the Fund:

Financial assets

	Cash and cash equivalents RMB	Amount due from Manager RMB	Total RMB
2019			
MYR	19,457,317	5,458,671	24,915,988
SGD	6,347,944	46,976	6,394,920
USD	1,594,895	3,098	1,597,993
	<u>27,400,156</u>	<u>5,508,745</u>	<u>32,908,901</u>

Financial liabilities

	Amount due to Manager RMB	Total RMB
2019		
MYR	1,868,631	1,868,631
USD	18,946,350	18,946,350
	<u>20,814,981</u>	<u>20,814,981</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the financial period. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate %	Impact on profit or loss/NAV 2019 RMB
MYR	5	1,152,368
SGD	5	319,746
USD	5	(867,418)
		<u>604,696</u>

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation resulting in financial loss to the Fund.

The credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

For the amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchanges. The credit risk is minimal as all transactions in quoted securities are settled/paid upon delivery using approved stockbrokers.

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

	Cash and cash equivalents RMB	Amount due from stockbrokers RMB	Amount due from Manager RMB	Other receivable RMB	Total RMB
2019					
Financials					
- Hong Leong Bank Bhd (AAA)	12,667,092	-	-	-	12,667,092
- HSBC Bank Malaysia Bhd (AAA)	7,976,184	-	-	-	7,976,184
- Malayan Banking Bhd (AAA)	3,286,034	-	-	-	3,286,034
- Public Bank Bhd (AAA)	3,470,846	-	-	-	3,470,846
- HSBC Corporation Ltd (AA2)	329,937	-	-	-	329,937
- HSBC Bank (China) Co Ltd (AA3)	10,740,490	-	-	-	10,740,490
Others					
- Not Rated	-	86,288,702	5,509,208	448,000	92,245,910
	38,470,583	86,288,702	5,509,208	448,000	130,716,493

All financial assets of the Fund as at financial period are neither past due nor impaired.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and deposits with licensed financial institutions, which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RMB	Between 1 month to 1 year RMB	Total RMB
2019			
Amount due to stockbrokers	71,900,048	-	71,900,048
Amount due to Manager	20,814,981	-	20,814,981
Accrued management fee	975,437	-	975,437
Amount due to Trustee	32,515	-	32,515
Other payables and accruals	-	36,633	36,633
Net assets attributable to unit holders*	<u>737,077,800</u>	<u>-</u>	<u>737,077,800</u>
Contractual undiscounted cash flows	<u>830,800,781</u>	<u>36,633</u>	<u>830,837,414</u>

* Outstanding units are redeemed on demand at the member's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium for long term.

(d) Capital risk management

The capital of the fund is represented by net assets attributable to unit holders of RMB737,077,800. The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1	Level 2	Level 3	Total
	RMB	RMB	RMB	RMB
2019				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>700,120,921</u>	<u>-</u>	<u>-</u>	<u>700,120,921</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

(ii) The carrying values of cash and cash equivalents, amount due from stockbrokers, amount due from Manager, dividends receivable, clearing reserve fund and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

4. MANAGEMENT FEE

In accordance with Deed, the Manager is entitled to a maximum management fee of 3.00% per annum for each unit class, calculated daily based on the NAV of the Fund.

For the financial period from 8 March 2018 (date of launch) to 28 February 2019, the management fee for the respective classes is recognised at the following rates:

Class MYR	Class SGD	Class USD
1.80%	1.80%	1.80%

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

5. TRUSTEE'S AND CUSTODIAN FEES

In accordance with the Deed, the Trustee is entitled to a maximum fee of 0.06% per annum, (including local custodian fee but excluding foreign sub-custodian fee and charges) on the NAV of the Fund. The foreign sub-custodian fee and charges is dependent on the country invested and is charged monthly in arrears.

For the financial period from 8 March 2018 (date of launch) to 28 February 2019, the Trustee's fee is recognised at the rate of 0.06% per annum.

There is no further liability to the Trustee in respect of Trustee's fee other than the amount recognised above.

6. TAXATION

**08.03.2018
(date of launch)
to 28.02.2019
RMB**

Tax charged for the financial period:	
- Withholding tax	672,064
- Foreign tax duties	54,280
	<u>726,344</u>

A numerical reconciliation between the loss before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund is as follows:

**08.03.2018
(date of launch)
to 28.02.2019
RMB**

Loss before taxation	<u>(94,100,716)</u>
Taxation at Malaysian statutory rate of 24%	(22,584,172)
Tax effects of:	
Loss not deductible for tax purpose	15,905,755
Expenses not deductible for tax purposes	4,215,034
Restriction on tax deductible expenses for Unit Trust Fund	2,463,383
Income subject to withholding tax	672,064
Foreign tax duties	54,280
Taxation	<u>726,344</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

**28.02.2019
RMB**

Designated at fair value through profit or loss at inception:	
- Quoted securities	<u>700,120,921</u>

**08.03.2018
(date of launch)
to 28.02.2019
RMB**

Net loss on financial assets at fair value through profit or loss:	
- Realised loss on disposals	(139,099,418)
- Unrealised fair value gain	66,060,260
	<u>(73,039,158)</u>

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019				
QUOTED SECURITIES				
Communication Services				
China Television Media Ltd	9	80	99	0.00
Citic Guoan Information	1,900	12,843	8,759	0.00
Cultural Investment Holdings Co Ltd	60,700	273,123	301,679	0.04
Gbits Network Technology (Xiamen) Co Ltd	26,500	4,044,548	4,696,860	0.64
Guangdong Advertising Group Co Ltd	3,100	13,289	11,160	0.00
Guangdong Aofei Data Technology Co Ltd	41,600	1,673,992	1,755,520	0.24
Guangdong Super Telecom Co Ltd	19,000	625,464	627,760	0.09
Hubei Century Network Technology Co Ltd	1,000	15,888	11,070	0.00
Jiangsu Broadcasting Cable Information Network Co Ltd	621,300	2,714,915	3,063,009	0.42
Jiangsu Phoenix Publishing & Media Co Ltd	594,700	4,639,676	4,936,010	0.67
Kingnet Network Co Ltd	99,500	388,768	429,840	0.06
Mango Excellent Media Co Ltd	89,300	3,404,540	3,647,012	0.49
Northern United Publishing & Media Co Ltd	429,600	2,603,417	2,676,408	0.36
Ourpalm Co Ltd	132,700	488,326	508,241	0.07
Shenzhen Kingsun Science And Technology Co Ltd	27,000	250,359	263,790	0.04
Shenzhen Topway Video Communication Co Ltd	157,800	1,075,223	1,186,656	0.16
Shunya International Brand Consulting Beijing Co Ltd	64,000	989,962	1,472,000	0.20
Southern Publishing & Media Co Ltd	86,900	714,233	821,205	0.11
Time Publishing And Media Co Ltd	424,700	3,977,605	4,094,108	0.56
Wasu Media Holding Co Ltd	59,700	512,572	599,985	0.08
Zhejiang Dially Digital Culture Group Co Ltd	264,700	2,042,422	2,874,642	0.39
Zhejiang Huamei Holding Co Ltd	573,300	2,493,087	2,769,039	0.38
	<u>3,779,009</u>	<u>32,954,332</u>	<u>36,754,852</u>	<u>5.00</u>
Consumer Discretionary				
Aerospace Hi-Tech Group Ltd	1,200	15,979	14,784	0.00
Anhui Zhongding Sealing Parts Co Ltd	70,400	928,596	835,648	0.11
Baoxiniao Holding Co Ltd	752,400	2,279,098	2,655,972	0.36

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019 (continued)				
QUOTED SECURITIES				
(CONTINUED)				
Consumer Discretionary				
(continued)				
Changbai Mountain Tourism Co Ltd	265,600	2,443,643	2,701,152	0.37
China Automotive Engineering Co Ltd	301,300	2,343,427	2,383,283	0.32
Dalian Sunasia Tourism Holding Co Ltd	12,600	340,614	370,314	0.05
Dongfeng Automobile Co Ltd	735,649	2,869,931	3,207,430	0.44
Fuyao Group Glass Industries Co Ltd	100,300	2,502,285	2,432,275	0.33
Gansu Gangtai Hd Group Co Ltd	70,900	292,990	339,611	0.05
Gree Electric Appliances Inc	35,900	1,605,846	1,608,320	0.22
Guangdong Xinbao Electrical Co Ltd	487,600	4,718,023	5,183,188	0.70
Guilin Tourism Co Ltd	119,500	682,888	730,145	0.10
Hang Zhou Great Star Industrial Co Ltd	310,200	3,340,492	3,399,792	0.46
Hisense Home Appliances Group Co Ltd	1,000	11,768	9,280	0.00
Huafang Co Ltd	221,700	1,331,842	1,341,285	0.18
Jiangsu Tongrun Equipment Technology Co Ltd	16	100	123	0.00
Jiangsu Xinmin Textile Science Co Ltd	20,450	143,483	216,770	0.03
Kingclean Electric Co Ltd	140,628	3,106,661	3,400,385	0.46
Modern Avenue Group Co Ltd	202,000	1,059,212	1,361,480	0.18
Nanjing Xinjiekou Dept Store Co Ltd	195,900	2,193,957	2,231,301	0.30
Noblelift Intelligent Equipment Co Ltd	93,900	1,215,262	1,662,030	0.23
Rainbow Department Store Co Ltd	291,000	3,548,842	3,599,670	0.49
Sailun Group Co Ltd	1,136,400	2,561,761	3,091,008	0.42
Shandong Ruyi Woolen Garment Group Co Ltd	13,500	122,686	131,895	0.02
Shanghai Shenda Ashrs Co Ltd	294,600	1,567,530	1,643,868	0.22
Shanghai Xinnanyang Only Education & Technology Co Ltd	97,200	1,979,022	2,088,828	0.28
Shanghai Yuyuan Tourist Mart Co Ltd	681,400	4,977,451	5,791,900	0.79
Shenzhen Ellassay Fashion Co Ltd	220,400	3,631,745	3,823,940	0.52
Shenzhen Tellus Holding Co Ltd	14,500	392,901	417,310	0.06
Shijiazhuang Changshan Textile Co Ltd	75,500	363,721	438,655	0.06

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019 (continued)				
QUOTED SECURITIES				
(CONTINUED)				
Consumer Discretionary				
(continued)				
Wangneng Environment Co Ltd	66,900	788,337	1,123,920	0.15
Wanxiang Qianchao Co Ltd	717,480	4,174,725	4,376,628	0.59
Wuxi Little Swan Co Ltd	46,300	2,633,867	2,562,705	0.35
Xiamen Comfort Science & Technology Group Co Ltd	61,200	1,183,957	1,061,208	0.14
Yantai Tayho Advanced Materials Co Ltd	290	3,537	3,315	0.00
Zhejiang Jinfei Kaida Wheel Co Ltd	167,700	1,090,655	1,158,807	0.16
Zhejiang Jinfei Kaida Wheel Co Ltd - Rights	163,900	-	-	0.00
Zhejiang Semir Garment Co Ltd	242,100	2,154,549	2,433,105	0.33
Zjbc Information Technology Co Ltd	1,100	15,724	13,057	0.00
	<u>8,430,613</u>	<u>64,617,107</u>	<u>69,844,387</u>	<u>9.47</u>
Consumer Staples				
Anhui Yingjia Distillery Co Ltd	178,800	2,729,559	2,905,500	0.39
Anji Foodstuff Co Ltd	120,400	1,275,843	1,458,044	0.20
Baiyang Investment Group Inc	63,702	541,170	560,577	0.08
Bright Dairy And Food Co Ltd	800	9,713	7,552	0.00
Chengdu Hongqi Chain Co Ltd	1,362,200	7,218,779	7,669,186	1.04
Chongqing Brewery Co Ltd	92,400	3,163,503	3,076,920	0.42
Foshan Haitian Flavouring Co Ltd	20,500	1,547,955	1,571,940	0.21
Fujian Sunner Development Co Ltd	249,800	4,217,418	6,577,234	0.89
Guangdong Byhealth Biotechnology Co Ltd	19,500	364,213	407,940	0.06
Guangdong Haid Group Co Ltd	73,400	1,948,810	1,940,696	0.26
Guangzhou Zhujiang Brewery Co Ltd	242,200	1,122,757	1,324,834	0.18
Jiangxi Zhengbang Technology Co Ltd	900	3,607	10,260	0.00
Laobaixing Pharmacy Chain JSC Ltd	4,500	211,392	258,840	0.04
Liaoning Wellhope Agri-Tech JSC Ltd	35	309	365	0.00
Qiaqia Food Co Ltd	223,400	4,811,605	4,943,842	0.67
Shandong Denghai Seeds Co Ltd	2,000	14,169	12,540	0.00
Shanghai Jahwa United Co Ltd	160,700	5,194,758	4,978,486	0.67

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019 (continued)				
QUOTED SECURITIES (CONTINUED)				
Consumer Staples (continued)				
Shenzhen Agricultural Products Group Co Ltd	694,500	3,562,856	4,055,880	0.55
Sichuan Swellfun Co Ltd	40,600	1,360,896	1,684,900	0.23
Wens Foodstuff Group Co Ltd	400	8,494	12,708	0.00
Xiangpiaopiao Food Co Ltd	54,700	1,130,322	1,251,536	0.17
	<u>3,605,437</u>	<u>40,438,128</u>	<u>44,709,780</u>	<u>6.06</u>
Energy				
China Coal Energy Co Ltd	807,500	4,105,149	4,150,550	0.56
China Merchants Energy Co Ltd	1,558,500	6,234,650	7,184,685	0.97
China Oilfield Services Ltd	800	8,264	7,864	0.00
Gejade Petroleum Corporation	1,665,600	4,759,766	5,246,640	0.71
Petrochina Co Ltd	200	1,527	1,566	0.00
Shandong Xinchao Energy Co Ltd	478,600	1,083,666	1,206,072	0.16
Xinjiang International Industry Co Ltd	184,400	801,579	886,964	0.12
Yantai Jereh Oilfield Services Group Co Ltd	221,800	3,823,848	4,442,654	0.60
Yanzhou Coal Mining Co Ltd	1,200	16,552	12,672	0.00
	<u>4,918,600</u>	<u>20,835,001</u>	<u>23,139,667</u>	<u>3.12</u>
Financials				
China Merchants Bank Co Ltd	228,600	7,110,444	7,255,764	0.98
China Merchants Securities Co Ltd	95,200	1,487,670	1,670,760	0.23
China Pacific Insurance Group Co Ltd	45,900	1,439,298	1,561,518	0.21
Industrial Bank Co Ltd	7,000	104,477	125,020	0.02
Jiangsu Changshu Rural Commercial Bank Ltd	1,066,800	7,021,183	8,161,020	1.11
Sealand Securities Co Ltd	368,300	2,055,002	2,073,529	0.28
Shanghai Pudong Development Bank Co Ltd	19,100	208,113	224,234	0.03
	<u>1,830,900</u>	<u>19,426,187</u>	<u>21,071,845</u>	<u>2.86</u>
Health Care				
Anhui Sunhere Pharmaceutical Excipients Co Ltd	133,100	1,950,888	2,457,026	0.33
Autobio Diagnostics Co Ltd	47,600	2,519,424	2,822,680	0.38
Beijing Double Crane Pharmaceutical Co Ltd	70	1,336	923	0.00

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019 (continued)				
QUOTED SECURITIES				
(CONTINUED)				
Health Care (continued)				
Beijing SI Pharmaceutical Co Ltd	117,882	3,754,801	3,201,675	0.43
Beijing Tiantan Biological Products Co Ltd	298,661	6,653,653	6,782,591	0.92
Chengdu Kanghong Pharmaceutical Group Co Ltd	99,000	3,572,622	4,019,400	0.55
Chengzhi Co Ltd	122,600	1,500,062	1,592,574	0.22
China National Accord Medicines Co Ltd	8,100	321,455	357,858	0.05
Chongoing Taiji Indus Grp	383,700	3,345,406	4,105,590	0.56
Chongqing Zhifei Biological Products Co Ltd	181	7,376	8,044	0.00
Guangzhou Kingmed Diagnostics Co Ltd	41,500	876,556	1,083,980	0.15
Haisco Pharmaceutical Group Co Ltd	9,800	105,033	113,190	0.02
Harbin Gloria Pharmaceutical Co Ltd	496,800	1,447,508	1,793,448	0.24
Huadong Medicine Co Ltd	200	9,034	6,340	0.00
Jiangsu Kanion Pharmaceutical Co Ltd	98,300	999,350	1,201,226	0.16
Jiangsu Yuyue Medical Equipment Co Ltd	46,500	980,245	1,099,725	0.15
Lionco Pharmaceutical Group Co Ltd	526,160	5,568,112	6,098,194	0.83
Nanjing Pharmaceutical Co Ltd	200	1,074	952	0.00
PharmaBlock Sciences Nanjing Inc	300	21,513	24,480	0.00
Porton Pharma Solutions Ltd	164,900	1,405,463	1,680,331	0.23
Shanghai Fosun Pharmaceutical Co Ltd	300	11,519	8,634	0.00
Shanghai Pharmaceuticals Holding Co Ltd	75,439	1,376,451	1,389,586	0.19
Shenzhen Hepalink Pharmaceutical Co Ltd	66,200	1,321,710	1,539,812	0.21
Tianjin Lisheng Pharmaceutical Co Ltd	81,400	1,787,794	2,052,908	0.28
Topchoice Medical Investment Corp	119,600	6,380,253	7,043,244	0.96
Wuhan Humanwell Hitech Industry Co Ltd	900	13,683	9,873	0.00
Yabao Pharmaceutical Group Co Ltd	69,100	438,339	433,948	0.06
Yifan Pharmaceutical Co Ltd	800	16,473	9,096	0.00

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019 (continued)				
QUOTED SECURITIES (CONTINUED)				
Health Care (continued)				
Yunnan Baiyao Group Co Ltd	38,037	2,748,588	3,236,188	0.44
Zhejiang Xianju Pharmaceutical Co Ltd	77,300	606,821	550,376	0.07
Zhejiang Xinguang Pharmaceutical Co Ltd	40,100	501,643	615,535	0.08
	<u>3,164,730</u>	<u>50,244,185</u>	<u>55,339,427</u>	<u>7.51</u>
Industrials				
Aecc Aeroengine Control Co Ltd	55,835	737,022	810,724	0.11
Aecc Aviation Power Co Ltd	400	10,708	10,096	0.00
Anhui Expressway Co Ltd	154,800	913,016	1,023,228	0.14
Anhui Guozhen Environment Protection Technology Joint Co Ltd	317,780	2,517,670	3,346,223	0.45
Avic Electromechanical Systems Co Ltd	11,115	86,718	84,029	0.01
Beijing Creative Distribution Automation Co Ltd	187,000	1,228,911	1,303,390	0.18
Beijing Ctrowell Technology Co Ltd	210,100	1,424,882	1,512,720	0.21
Cec Environmental Protection Co Ltd	154,500	850,597	923,910	0.13
Changsha Zoomlion Heavy Industry Science And Technology Development Co Ltd	920,300	3,380,811	3,865,260	0.52
China Avionics Systems Co Ltd	11,200	182,299	184,912	0.03
China Intl Marine Containers Gp Co Ltd	341,300	3,914,491	4,515,399	0.61
China Sinoma Intl Engineering Co Ltd	154,400	869,603	1,049,920	0.14
Chongqing Construction Engineering Co Ltd	108,600	492,326	570,150	0.08
Citic Heavy Industries Co Ltd	1,657,800	4,533,979	6,498,576	0.88
Cmst Development Co Ltd	133,200	818,293	816,516	0.11
Cpi Yuanda Environmentalprote Grp Co Ltd	346,200	1,774,252	2,097,972	0.28
Dalian Port Pda Co Ltd	4,507,200	8,845,206	10,231,344	1.39
Dark Horse Venture Beijing Technology Co Ltd	2,900	118,084	122,583	0.02
Dazhong Transportation Group Co Ltd	1,191,000	4,814,245	5,371,410	0.73
Dongfang Electric Corp Ltd	685,500	6,676,256	6,759,030	0.92

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019 (continued)				
QUOTED SECURITIES				
(CONTINUED)				
Industrials (continued)				
Focused Photonics Hangzhou Co Ltd	111,141	2,515,745	2,931,900	0.40
Fujian Longking Co Ltd	56,100	508,892	707,982	0.10
Guangdong Gensho Logistics Co Ltd	97,600	1,892,429	1,895,392	0.26
Hefei Meiya Optoelectronic Inc	132,900	2,764,414	3,133,782	0.43
Henan Pinggao Electric Co Ltd	346,500	3,148,399	3,187,800	0.43
Hongfa Technology Co Ltd	119,800	3,040,238	3,065,682	0.42
Hubei Sanfeng Intelligent Conveying Equipment Co Ltd	385,500	4,316,544	4,753,215	0.64
Hwa Create Corporation Ltd	401	2,950	3,789	0.00
Jdm Jingda Machine Ningbo Co Ltd	367,769	4,347,981	4,880,295	0.66
Jiangsu Hengli Hydraulic Co Ltd	22,900	485,980	633,643	0.09
Jinlong Machinery & Electrical Co Ltd	3,700	16,673	13,246	0.00
Juneyao Airlines Co Ltd	371,800	4,789,691	4,996,992	0.68
Keda Industrial Co Ltd	250,800	984,918	1,344,288	0.18
Ligong Environment and Energy Technology Co Ltd	300	4,338	3,381	0.00
Longjian Road & Bridge Co Ltd	494,600	1,985,739	2,022,914	0.27
Minmetals Development Co Ltd	18,100	123,853	144,619	0.02
Motic Electric Group Co Ltd	321,900	1,566,937	1,899,210	0.26
Nanfang Zhongjin Environment Co Ltd	2,400	15,758	9,048	0.00
Nanjing Kangni Mechanical Co Ltd	1,500	12,613	7,275	0.00
Nanyang Topsec Technologies Group Inc	306,700	3,536,251	4,677,175	0.63
Ningbo Sanxing Electric Co Ltd	883,700	5,204,348	5,832,420	0.79
Ningbo Zhoushan Port Co Ltd	598,300	2,251,391	2,345,336	0.32
North Electrooptic Co Ltd	519,900	5,754,002	5,822,880	0.79
Northcom Group Co Ltd	192,200	1,712,900	1,818,212	0.25
Rizhao Port Co Ltd	1,829,200	6,130,849	5,999,776	0.81
Sec Electric Machinery Co Ltd	416,600	4,445,495	4,332,640	0.59
Shandong Hispeed Road And Bridge Co Ltd	900	5,477	5,310	0.00
Shandong Luyitong Intelligent Electric Co Ltd	54	1,074	1,399	0.00
Shandong Swan Cotton Industrial Macchinery Stock Co Ltd	5,600	70,476	83,496	0.01

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019 (continued)				
QUOTED SECURITIES				
(CONTINUED)				
Industrials (continued)				
Shanghai Ace Investment & Development Co Ltd	89,500	1,364,523	1,513,445	0.21
Shanghai Environment Group Co Ltd	208,422	2,814,526	3,078,393	0.42
Shanghai Everjoy Health Group Co Ltd	425,600	1,426,517	1,476,832	0.20
Shanghai Mg Stationery Inc	70,500	2,013,894	2,160,825	0.29
Shenzhen Desay Battery Technology Co Ltd	93,700	3,169,881	3,171,745	0.43
Shenzhen Expressway Co Ltd	780,200	6,837,557	7,326,078	0.99
Shenzhen Megmeet Electrical Co Ltd	89,149	2,052,113	2,349,968	0.32
Shuangliang Eco-Energy Systems Co Ltd	1,938,149	7,446,348	7,830,122	1.06
Sichuan Expressway Co Ltd	264,000	948,760	1,008,480	0.14
Sieyuan Electric Co Ltd	120,100	1,265,268	1,402,768	0.19
Sinotrans Ltd	686,139	3,917,029	3,465,002	0.47
Suzhou Gold Mantis Construction Decoration Co Ltd	32,900	288,614	356,307	0.05
Tanac Automation Co Ltd	135	2,977	3,119	0.00
Tecnon (Fujian) Commercial Lighting Co Ltd	70,600	981,218	1,069,590	0.14
Wolong Electric Group Co Ltd	401,200	2,659,453	2,984,928	0.40
Xiamen International Airport Co Ltd	89,117	1,877,921	2,025,629	0.27
Yantai Zhenghai Magnetic Material Co Ltd	290,200	1,734,079	2,077,832	0.28
Yindu Kitchen Equipment Co Ltd	43,000	395,083	426,560	0.06
Yto Express Group Co Ltd	163,000	1,779,768	2,112,480	0.29
Zhefu Holding Group Co Ltd	124,800	504,580	542,880	0.07
Zhejiang Dingli Machinery Co Ltd	10,600	575,810	735,216	0.10
Zhejiang Kaishan Compressor Co Ltd	85,874	942,357	1,097,470	0.15
Zhejiang Weixing New Building Materials Co Ltd	89,500	1,423,146	1,521,500	0.21
Zhejiang Yankon Group Co Ltd	216,000	726,903	771,120	0.10
Zhejiang Yonggui Electric Equipment Co Ltd	900	11,089	10,125	0.00
Zhengzhou Coal Mining Machinery Group Co Ltd	176,100	1,173,641	1,072,449	0.15
Zhuzhou Tianqiao Crane Co Ltd	4,000	12,647	14,920	0.00
	<u>25,573,380</u>	<u>154,171,426</u>	<u>169,256,272</u>	<u>22.96</u>

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019 (continued)				
QUOTED SECURITIES				
(CONTINUED)				
Information Technology				
Accelink Technologies Co Ltd	45,500	1,215,716	1,463,735	0.20
Beijing Sinnet Technology Co Ltd	19,800	266,404	342,144	0.05
Beijing Venustech Inc	47,300	1,203,260	1,220,340	0.17
Eastern Communications Co Ltd	200	1,226	5,540	0.00
Embedway Technologies Shanghai Co Ltd	29,175	802,908	809,023	0.11
Feitian Technologies Co Ltd	174,100	1,892,166	2,287,674	0.31
Fujian Starnet Communication Co Ltd	48,500	859,675	1,023,835	0.14
Gettop Acoustic Co Ltd	35,400	244,341	258,420	0.04
Glodon Co Ltd	322,157	7,999,765	8,579,041	1.16
Goertek Inc	1,000	11,367	8,880	0.00
Guangdong Ellington Electronics Technology Co Ltd	232,100	2,127,428	2,560,063	0.35
Guangdong Goworld Co Ltd	155,700	1,528,552	1,530,531	0.21
Hangzhou Hikvision Digital Technology Co Ltd	59,200	1,968,804	2,042,400	0.28
Hunan Aihua Group Co Ltd	126,300	2,666,146	2,657,352	0.36
Hundsun Electronics Co Ltd	200	12,412	17,286	0.00
Ireader Technology Co Ltd	8,001	125,237	178,902	0.02
Julong Co Ltd	43,600	294,346	339,644	0.05
Longshine Technology Co Ltd	79,500	1,316,477	1,522,425	0.21
Naura Technology Group Co Ltd	41,600	1,676,295	2,145,728	0.29
Neusoft Corporation	220,200	2,468,237	2,666,622	0.36
Ningbo Yunsheng (Group) Co Ltd	720	5,681	4,378	0.00
Ofilm Tech Co Ltd	500	8,509	6,920	0.00
Shanghai East China Computer Co Ltd	55,400	961,798	1,063,680	0.14
Shanghai Sinyang Semiconductor Materials Co Ltd	37,300	1,016,443	1,089,533	0.15
Shanghai Welltech Automation Co Ltd	85,600	1,034,096	1,109,376	0.15
Shennan Circuits Co Ltd	17,500	1,648,578	2,026,500	0.27
Shenzhen Absen Optoelectronic Co Ltd	30,274	485,784	518,291	0.07
Shenzhen Hirisun Technology Inc	72,800	417,351	499,408	0.07
Shenzhen Kaifa Technology Co Ltd	663,600	4,100,416	4,884,096	0.66
Shenzhen Laibao Hitech Co Ltd	3,100	24,679	24,645	0.00
Shenzhen Longood Intelligent Electric Co Ltd	19,200	330,824	345,600	0.05
Shenzhen Mindata Holding Co Ltd	195,700	1,214,206	1,352,287	0.18

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019 (continued)				
QUOTED SECURITIES (CONTINUED)				
Information Technology (continued)				
Shenzhen Urovo Technology Co Ltd	54,400	902,469	998,240	0.13
Shenzhou Yiqiao Information Service Co Ltd	61,400	404,167	434,098	0.06
Sichuan Huiyuan Optical Communications Co Ltd	1,300	13,467	15,171	0.00
Tangshan Huizhong Instrumentation Co Ltd	58,300	780,281	850,014	0.12
Unigroup Guoxin Microelectronics Co Ltd	109,300	3,625,471	4,135,912	0.56
United Electronics Co Ltd	133,600	919,269	928,520	0.13
Universal Scientific Industrial Shanghai Co Ltd	383,405	3,515,688	4,922,920	0.67
Wonders Information Co Ltd	167,500	2,019,187	2,247,850	0.30
WUS Printed Circuit (Kunshan) Co Ltd	67,400	466,581	731,964	0.10
XGD Inc	800	11,836	11,680	0.00
Xiamen Faratronic Co Ltd	20,700	936,433	992,565	0.13
Xiamen Red Phase Inc	9,600	126,382	127,008	0.02
Zhejiang Huazheng New Materials Co Ltd	23,000	579,151	631,810	0.09
Zhejiang Zhengyuan Zhihui Technology Co Ltd	25,800	929,978	926,994	0.13
Zhonghang Electronic Measuring Instruments Co Ltd	88,400	750,846	853,060	0.12
	<u>4,076,132</u>	<u>55,910,333</u>	<u>63,392,105</u>	<u>8.61</u>
Materials				
Aba Chemicals Corporation	450	2,365	2,380	0.00
Anhui Annada Titanium Industry Co Ltd	1,200	13,495	10,284	0.00
Anhui Fengxing Wear Resistant Co Ltd	194,800	2,853,185	3,149,916	0.43
Anhui Honglu Steel Construction Co Ltd	1,302,950	9,427,978	10,358,452	1.41
Baoding Lucky Innovative Materials Co Ltd	400	8,275	7,740	0.00
Baoji Titanium Industry Co Ltd	112,900	1,768,079	2,247,839	0.30
Bgrimm Technology Co Ltd	59,600	586,819	685,400	0.09
China Hainan Rubber Industry Group Co Ltd	2,820,300	13,230,858	14,975,793	2.03
Dofluoride Chemicals Co Ltd	54,600	808,102	815,178	0.11
Dymatic Chemicals Inc	43,200	284,296	293,760	0.04

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019 (continued)				
QUOTED SECURITIES				
(CONTINUED)				
Materials (continued)				
Gansu Jiu Steel Group Hongxing Co Ltd	761,000	1,508,837	1,780,740	0.24
Gansu Qilianshan Cement Group Co Ltd	1,700	13,772	12,937	0.00
Guangdong Guan hao Hightech Co Ltd	1,329,000	5,289,115	5,741,280	0.78
Guangdong Hec Technology Holdings Co Ltd	572,000	5,031,310	4,987,840	0.68
Hebei Baoshuo Co Ltd	390,000	3,117,051	3,759,600	0.51
Henan Mingtai AI Industrial Co Ltd	24,100	219,231	248,471	0.03
Henan Qing Shui Yuan Technology Co Ltd	279	4,272	4,294	0.00
Hesteel Co Ltd	1,874,100	5,810,094	6,353,199	0.86
Huapont Life Science Co Ltd	495,000	2,421,027	2,648,250	0.36
Huaxin Cement Co Ltd	77,800	1,463,609	1,482,090	0.20
Hubei Xinyangfeng Fertilizer Co Ltd	800	7,227	7,584	0.00
Jchx Mining Management Co Ltd	400	3,700	3,444	0.00
Jiangsu Asia Pacific Light Alloy Technology Co Ltd	418,800	1,999,686	2,228,016	0.30
Jiangsu Changbao Steeltube Co Ltd	415,900	2,148,213	2,333,199	0.32
Jiangsu Changqing Agrochemical Co Ltd	51,800	653,562	620,046	0.08
Jiangsu Jiuding New Material Co Ltd	60	389	441	0.00
Jiangsu Shagang Co Ltd	671,200	5,806,662	6,456,944	0.88
Jiangsu Yoke Technology Co Ltd	319,200	4,944,291	5,413,632	0.73
Jiaozuo Wanfang Aluminum Mfg Co Ltd	960,100	4,308,552	4,541,273	0.62
Jinduicheng Molybdenum Co Ltd	361,500	2,208,276	2,476,275	0.34
Jinyuan Ep Co Ltd	485,400	4,300,651	4,960,788	0.67
Liao Ning Oxiranchem Inc	80,800	519,369	538,128	0.07
Ligeance Aerospace Technology Co Ltd	400	7,410	4,972	0.00
Mys Group Co Ltd	3,100	17,981	16,213	0.00
Nanjing Redsun Co Ltd	600	12,081	8,928	0.00
Nantong Acetic Acid Chemical Co Ltd	60,000	777,961	900,600	0.12
Nantong Jiangshan Agrochemical And Chemicals Co Ltd	101,500	1,738,872	1,864,555	0.25
Ningbo Boway Alloy Material Co Ltd	82,900	621,841	671,490	0.09

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019 (continued)				
QUOTED SECURITIES (CONTINUED)				
Materials (continued)				
Ningxia Building Materials Group Co Ltd	200	1,895	1,716	0.00
North Huajin Chemical Industrial Co Ltd	1,900	14,941	12,711	0.00
Rongsheng Petro Chemical Co Ltd	84,100	887,578	942,761	0.13
Shandong Hualu Hengsheng Chemical Co Ltd	1,400	20,008	19,894	0.00
Shandong Iron And Steel Co Ltd	901,900	1,468,330	1,713,610	0.23
Shanghai Baosteel Packaging Co	265,300	1,234,030	1,305,276	0.18
Shanghai Chlor-Alkali Chemical Co Ltd	217,900	1,468,255	1,686,546	0.23
Shanghai Huayi Group Corp Ltd	516,500	4,373,493	4,617,510	0.63
Shenzhen Yuto Packaging Technology Co Ltd	9,500	389,439	480,320	0.07
Silvery Dragon Prestressed Materials Co Ltd	143,700	692,257	721,374	0.10
Sinomine Resource Group Co Ltd	435,200	6,660,138	7,098,112	0.96
Suzhou Lopsking Aluminum Co Ltd	112,300	598,206	754,656	0.10
Tangshan Jidong Cement Co Ltd	218,000	2,978,317	3,335,400	0.45
Tibet Summit Resources Co Ltd	66,800	1,297,337	1,619,900	0.22
Tongkun Group Co Ltd	33	537	428	0.00
Western Mining Co Ltd	946,900	5,632,224	6,050,691	0.82
Xiamen Academy of Building Research Group Co Ltd	1,243,201	5,975,333	6,477,077	0.88
Yintai Resources Co Ltd	63,820	619,094	682,236	0.09
Yunnan Aluminium Co Ltd	2,000	15,542	9,180	0.00
Yunnan Yuntianhua Co Ltd	506,600	3,073,743	3,201,712	0.43
Zhejiang Huafeng Spandex Co Ltd	15,412	66,225	77,060	0.01
Zhejiang Juhua Co Ltd	481,610	3,396,720	3,761,374	0.51
Zhejiang Sanwei Rubber Item Co Ltd	60	1,219	1,299	0.00
Zibo Qixiang Tengda Chemical Co Ltd	200	2,826	1,580	0.00
Zijin Mining Group Co Ltd	400	1,693	1,432	0.00
	<u>20,364,775</u>	<u>124,807,874</u>	<u>137,185,826</u>	<u>18.58</u>
Real Estate				
Avic Sunda Holdings Co Ltd	510,400	3,904,392	4,241,424	0.57
Beihproperty Co Ltd	119,500	444,280	538,945	0.07
Beijing Capital Development Co Ltd	559	3,804	4,483	0.00

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019 (continued)				
QUOTED SECURITIES (CONTINUED)				
Real Estate (continued)				
Beijing North Star Co Ltd	1,525,100	4,509,951	5,185,340	0.70
Beijing Urban Construction Co Ltd	1,267,171	10,514,783	11,734,003	1.59
China World Trade Center Co Ltd	102,300	1,384,038	1,475,166	0.20
Chongqing Dima Industry Co Ltd	331,600	882,555	1,140,704	0.15
Cinda Real Estate Co Ltd	1,125,000	4,553,103	5,377,500	0.73
Everbright Jiabao Co Ltd	430	2,521	3,849	0.00
Gemdale Corporation	80,400	769,161	909,324	0.12
Hangzhou Binjiang Real Estate Group Co Ltd	132,900	537,225	602,037	0.08
Huayuan Property Co Ltd	1,136,400	2,811,378	3,522,840	0.48
Jinke Properties Group Co Ltd	2,223,600	12,932,508	13,408,308	1.82
Shanghai Lingang Holdings Corp Ltd	43,600	924,718	1,033,756	0.15
Shanghai Smi Holding Co Lt	124,400	715,713	786,208	0.12
Shenzhen Huaqiang Industry Co Ltd	94,400	1,638,224	1,906,880	0.27
Shenzhen Zhenye Group Co Ltd	2,700	19,365	16,470	0.00
Sundy Land Investment Co Ltd	97,100	264,530	301,010	0.04
Tibet Urban Development And Investment Co Ltd	82,000	532,000	587,940	0.08
	<u>8,999,560</u>	<u>47,344,249</u>	<u>52,776,187</u>	<u>7.17</u>
Utilities				
Beijing Jingneng Power Co Ltd	55,700	159,682	179,912	0.03
Gd Power Development Co Ltd	124,500	320,841	329,925	0.05
Harbin Hatou Investment Co Ltd	400	2,317	2,270	0.00
Huaneng Lancang River Hydropower Inc	787,600	2,771,884	2,756,600	0.38
Inner Mongolia Mengdian Huaneng Thermal Power Co Ltd	4,128,000	9,776,934	12,218,880	1.66
Sdic Power Holdings Co Ltd	257,100	1,997,252	2,077,368	0.29
Shanghai Electric Power Co Ltd	305,100	2,437,342	2,745,900	0.38
Sichuan Chuantou Energy Co Ltd	689,100	5,845,587	6,339,720	0.86
	<u>6,347,500</u>	<u>23,311,839</u>	<u>26,650,573</u>	<u>3.65</u>

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

Name of counter	Quantity Units	Aggregate cost RMB	Market value RMB	Percentage of NAV %
28.02.2019 (continued)				
QUOTED SECURITIES (CONTINUED)				
TOTAL QUOTED SECURITIES	<u>91,090,636</u>	634,060,661	<u>700,120,921</u>	<u>94.99</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>66,060,260</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>700,120,921</u>		

8. CASH AND CASH EQUIVALENTS

	28.02.2019 RMB
Deposits with licensed financial institutions	19,423,973
Bank balances	<u>19,046,610</u>
	<u>38,470,583</u>

The weighted average effective interest rate per annum is as follows:

	28.02.2019 %
Deposits with licensed financial institutions	<u>3.45</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 2 days.

9. CLEARING RESERVE FUND

In accordance with the requirements of the China Securities Depository and Clearing Corporation Limited ("CSDC"), in relation to the trading of China A-Shares, the Fund is required to maintain a minimum settlement reserve fund based on the approved quota multiplied by minimum ratio of settlement reserve fund determined by CSDC where the reserve fund is assessed on monthly basis.

10. NUMBER OF UNITS IN CIRCULATION (UNITS)

	08.03.2018 (date of launch) to 28.02.2019
	No. of units
Class MYR (i)	425,377,910
Class SGD (ii)	5,303,567
Class USD (iii)	27,689,920
	<u>458,371,397</u>

(i) Class MYR

	08.03.2018 (date of launch) to 28.02.2019
	No. of units
At the beginning of the financial period	-
Add : Creation of units from applications	467,702,745
Less: Cancellation of units	(42,324,835)
At the end of the financial period	<u>425,377,910</u>

(ii) Class SGD

	08.03.2018 (date of launch) to 28.02.2019
	No. of units
At the beginning of the financial period	-
Add : Creation of units from applications	5,975,669
Less: Cancellation of units	(672,102)
At the end of the financial period	<u>5,303,567</u>

(iii) Class USD

	08.03.2018 (date of launch) to 28.02.2019
	No. of units
At the beginning of the financial period	-
Add : Creation of units from applications	32,618,158
Less: Cancellation of units	(4,928,238)
At the end of the financial period	<u>27,689,920</u>

11. MANAGEMENT EXPENSE RATIO (“MER”)

**08.03.2018
(date of launch)
to 28.02.2019
%**

MER 3.08

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee’s fee
- C = Audit fee
- D = Tax Agent’s fee
- E = Other expenses
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RMB581,938,112.

12. PORTFOLIO TURNOVER RATIO (“PTR”)

**08.03.2018
(date of launch)
to 28.02.2019**

PTR (times) 5.01

PTR is derived based on the following calculation:

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

where:

- total acquisition for the financial period = RMB3,302,469,959
- total disposal for the financial period = RMB2,529,310,013

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

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

<u>Related parties</u>	<u>Relationship</u>
CIMB-Principal Asset Management Berhad	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the shareholder of the Manager

Units held by the Manager and parties related to the Manager

Manager	08.03.2018 (date of launch) to 28.02.2019	
	No. of units	RMB
CIMB-Principal Asset Management Bhd		
- Class MYR	730	980
- Class SGD	184	733
- Class USD	62	325

In the opinion of the Manager, the above units were transacted at the prevailing market price.

The units are held beneficially by the Manager for booking purposes. Other than the above, there were no units held by the Directors or parties related to the Manager.

In addition to the related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

There is no related party transaction and balance for the financial period from 08 March 2018 (date of launch) to 28 February 2019.

14. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers for financial period from 08 March 2018 (date of launch) to 28 February 2019 are as follows:

Brokers	Value of trades RMB	Percentage of total trades %	Brokerage fees RMB	Percentage of total brokerage fees %
China International Capital Corporation Ltd	3,363,622,746	57.68	3,929,126	58.20
UBS Securities Co Ltd	1,250,854,567	21.45	1,430,940	21.20
Credit Suisse Founder Securities Ltd	1,080,703,491	18.53	1,227,519	18.18
Others	136,417,205	2.34	163,683	2.42
	<u>5,831,598,009</u>	<u>100.00</u>	<u>6,751,268</u>	<u>100.00</u>

15. SEGMENT INFORMATION

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The chief operating decision-maker is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The investment objective of the Fund is to grow the value of investments over the long-term through investment in portfolio of China A-Shares. The reportable operating segment derives its income by seeking investments to achieve targeted returns commensurate with an acceptable level of risk within the portfolio. These returns consist of interest income and dividend income earned from investments and gains on the appreciation in the value of investments, which are derived from Ringgit denominated deposits with licensed financial institutions in Malaysia and quoted securities listed on Shanghai Stock Exchange or Shenzhen Stock Exchange.

There were no changes in reportable operating segment during the financial period.

16. COMPARATIVE FIGURE

There are no comparative figures as this is the Fund's first set of financial statements.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 17 April 2019.

DIRECTORY

Head office of the Manager

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