

**Unaudited Semi-Annual Report 2021**

HAITONG INVESTMENT FUND SERIES  
(An umbrella unit trust established in Hong Kong)

**HAITONG HONG KONG EQUITY INVESTMENT FUND**  
**(A Sub-Fund of Haitong Investment Fund Series)**

For the period from 1 January 2021 to 30 June 2021

**HAITONG HONG KONG EQUITY INVESTMENT FUND  
(A SUB-FUND OF HAITONG INVESTMENT FUND SERIES)**

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**HAITONG HONG KONG EQUITY INVESTMENT FUND  
(A SUB-FUND OF HAITONG INVESTMENT FUND SERIES)**

**MANAGEMENT AND ADMINISTRATION**

**Manager**

Haitong International Asset Management (HK) Limited  
22/F., Li Po Chun Chambers  
189 Des Voeux Road Central  
Hong Kong

**Trustee and Registrar**

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

**Directors of the Manager**

Yang Jianxin  
Sun Tong  
Poon Mo Yiu  
Luk Wai Yin  
Yan Suping (Appointed on 29 March 2021)

**Auditor**

PricewaterhouseCoopers  
22/F Prince's Building  
Central  
Hong Kong

**Solicitors**

Deacons  
5/F, Alexandra House  
18 Chater Road  
Central  
Hong Kong

**HAITONG HONG KONG EQUITY INVESTMENT FUND  
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**REPORT OF THE MANAGER TO THE UNITHOLDERS**

From the beginning of 2021 till the mid of February, Hong Kong stock market represented by HSI experienced an upward performance and hit 31,183 points at the highest level, mainly driven by the overall abundant liquidity and the positive sentiment of China A share market. Growing concerns on inflation pressure and potential tapering from Fed then triggered profit taking action and driven down valuation hub for growth stocks. Antitrust investigation on internet platform giants further capped the sentiment. Hang Seng Index ended up with up 5.86% at the end of June after volatile pullback.

For macro economy, China GDP growth reported unusual data at 18.3% and 7.9% in the first and second quarter respectively mainly due to the low base from last year. PPI rose significantly to 8.2% yoy while CPI only see mild increase at 1.1% yoy in June, reflecting the troublesome condition when SME may find it difficult to pass on inflation to downward customers. To ease the pressure for manufacturers that bear the hiking commodity prices and to reduce comprehensive funding cost, PBOC announced the RRR cut by 50bps. Overall a combination of neutral monetary policy with structural eased financial policy would be expected. As for US, the rolling out of vaccination together with the unprecedented rescue plan which costs \$1.9 trillion began to mitigate the pandemic better and to increase domestic demands, while at the same time push the inflation higher, even though the delta variant may cast shadow on economy recovery. As for Hong Kong, GDP grew 7.9% yoy in the first quarter of 2021, after a -2.8% yoy growth in the fourth quarter of 2020. This was mainly led by robust growth of exports of goods, which was up 30.2% yoy in the first quarter. The value of retail sales increased 10.5% yoy in May 2021, and the first five months of 2021 together was 8.9% yoy. Nonetheless the retail sales showed rising and recovery trend, it was still far below the level of pre COVID-19 period, due to the remained travel restrictions that eliminate travelers' spending.

Looking forward, we are cautiously optimistic on Hong Kong stock market. On one hand, the market could continue to be volatile given policy uncertainty, geopolitical tension with U.S., and speed of economic recovery in post pandemic era. On the other hand, the fundamentals of our investment targets are healthy thanks to strong financials, solid earnings, and competitive advantage.

Haitong International Asset Management (HK) Limited

**HAITONG HONG KONG EQUITY INVESTMENT FUND  
(A SUB-FUND OF HAITONG INVESTMENT FUND SERIES)**

**STATEMENT OF FINANCIAL POSITION (unaudited)**

*As at 30 June 2021*

	(Unaudited) At 30 June 2021 USD	(Audited) At 31 December 2020 USD
<b>Assets</b>		
<b>Current assets</b>		
Financial assets at fair value through profit or loss	41,845,776	29,003,482
Amounts receivable on subscription of units	-	4,500,000
Dividends receivable	184,331	15,932
Cash and cash equivalents	2,099,411	3,330,870
<b>Total assets</b>	<u>44,129,518</u>	<u>36,850,284</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Amounts payable on purchase of investments	-	2,976,171
Other payables	86,188	68,091
<b>Liabilities (excluding net assets attributable to unitholders)</b>	<u>86,188</u>	<u>3,044,262</u>
<b>Net assets attributable to unitholders classified as financial liability (after adjustment for different basis adopted by the Sub-Fund)</b>	44,043,330	33,806,022
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	2,544	5,055
<b>Net assets attributable to unitholders classified as financial liability (in accordance with the Sub-Fund's Explanatory Memorandum)</b>	<u>44,045,874</u>	<u>33,811,077</u>
<b>Number of units in issue</b>		
– Class I (USD) Accumulation units	<u>150,723</u>	<u>150,723</u>
– Class A (USD) Accumulation units	<u>154,334</u>	<u>101,290</u>
<b>Net asset value per unit (in accordance with the Sub-Fund's Explanatory Memorandum)</b>		
– Class I (USD) Accumulation units	<u>170.66</u>	<u>152.78</u>
– Class A (USD) Accumulation units	<u>118.72</u>	<u>106.45</u>

**Note:** Semi-annual reports have applied the same accounting policies and methods of computation as are applied in the annual reports of the Sub-Fund.

**HAITONG HONG KONG EQUITY INVESTMENT FUND  
(A SUB-FUND OF HAITONG INVESTMENT FUND SERIES)**

**STATEMENT OF COMPREHENSIVE INCOME (unaudited)**

*For the period from 1 January 2021 to 30 June 2021*

	(Unaudited) For the period from 1 January 2021 to 30 June 2021 USD	(Unaudited) For the period from 1 January 2020 to 30 June 2020 USD
<b>Income</b>		
Interest income on bank deposits	15	237
Dividend income	515,768	259,688
Realised gains/(losses) on disposal of financial assets at fair value through profit or loss	2,093,083	(428,064)
Change in unrealised gains/losses in value of financial assets at fair value through profit or loss	2,127,739	(98,405)
Net foreign currency (losses)/gains	(14,553)	7,075
<b>Total net income/(loss)</b>	<u>4,722,052</u>	<u>(259,469)</u>
<b>Expenses</b>		
Management fee <sup>Note 2</sup>	258,379	113,234
Trustee fee <sup>Note 1</sup>	25,583	18,000
Safe custody and bank charges <sup>Note 1</sup>	3,509	1,806
Auditor's remuneration	8,294	8,851
Accounting fee <sup>Note 1</sup>	4,449	6,302
Handling fee <sup>Note 1</sup>	5,852	950
Transaction fee <sup>Note 2</sup>	138,125	23,567
Other operating expenses <sup>Note 1</sup>	22,356	11,055
<b>Total operating expenses</b>	<u>466,547</u>	<u>183,765</u>
Net income/(loss) before tax	4,255,505	(443,234)
Withholding tax	(18,197)	(8,397)
<b>Income after tax/Total comprehensive loss</b>	<u>4,237,308</u>	<u>(451,631)</u>
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	(2,511)	
<b>Increase in net assets attributable to unitholders</b>	<u><u>4,234,797</u></u>	

**HAITONG HONG KONG EQUITY INVESTMENT FUND  
(A SUB-FUND OF HAITONG INVESTMENT FUND SERIES)**

**STATEMENT OF COMPREHENSIVE INCOME (unaudited) (continued)**

*For the period from 1 January 2021 to 30 June 2021*

Note <sup>1</sup> During the period ended 30 June 2021 and 2020, other than Trustee fee, Safe custody and bank charges and Handling fee that were paid to the Trustee or its Connected persons, other respective amounts paid to the Trustee or its Connected Persons were as follows:

	(Unaudited) For the period from 1 January 2021 to 30 June 2021 <i>USD</i>	(Unaudited) For the period from 1 January 2020 to 30 June 2020 <i>USD</i>
Accounting fee	2,976	2,983
Other operating expenses	22,000	10,698

Note <sup>2</sup> During the period ended 30 June 2021 and 2020, Management fee was paid to the Manager, other respective amount paid to the Manager or its Connected Persons was as follows:

	(Unaudited) For the period from 1 January 2021 to 30 June 2021 <i>USD</i>	(Unaudited) For the period from 1 January 2020 to 30 June 2020 <i>USD</i>
Transaction fee	2,316	-

**HAITONG HONG KONG EQUITY INVESTMENT FUND  
(A SUB-FUND OF HAITONG INVESTMENT FUND SERIES)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (unaudited)**

*For the period from 1 January 2021 to 30 June 2021*

	(Unaudited) For the period from 1 January 2021 to 30 June 2021* <i>USD</i>	(Unaudited) For the period from 1 January 2020 to 30 June 2020** <i>USD</i>
<b>Net assets attributable to unitholders at 1st January classified as financial liability/equity</b>	33,811,077	20,211,120
Proceeds from subscription of units	9,600,000	-
Payments on redemption of units	(3,600,000)	-
<b>Net increase from units transactions</b>	<u>6,000,000</u>	<u>-</u>
Increase in net assets attributable to unitholders/Total comprehensive loss	<u>4,234,797</u>	<u>(451,631)</u>
<b>Net assets attributable to unitholders at 30 June classified as financial liability/equity</b>	<u><u>44,045,874</u></u>	<u><u>19,759,489</u></u>
	(Unaudited) For the period from 1 January 2021 to 30 June 2021 <i>Units</i>	(Unaudited) For the period from 1 January 2020 to 30 June 2020 <i>Units</i>
<b>Class I (USD) Accumulation units</b>		
Units in issue at the beginning of the period	<u>150,723</u>	<u>150,723</u>
Units in issue at the end of the period	<u><u>150,723</u></u>	<u><u>150,723</u></u>
<b>Class A (USD) Accumulation units</b>		
Units in issue at the beginning of the period	101,290	-
Issue of units	83,557	-
Redemption of units	(30,513)	-
Units in issue at the end of the period	<u><u>154,334</u></u>	<u><u>-</u></u>

\* During the period from 30 October 2020 to 30 June 2021, the net assets attributable to unitholders were classified as financial liabilities.

\*\* During the period from 22 November 2018 to 29 October 2020, the net assets attributable to unitholders were classified as equity.



**HAITONG HONG KONG EQUITY INVESTMENT FUND  
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**STATEMENT OF CASH FLOWS (unaudited)**

*For the period from 1 January 2021 to 30 June 2021*

	(Unaudited) For the period from 1 January 2021 to 30 June 2021 USD	(Unaudited) For the period from 1 January 2020 to 30 June 2020 USD
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to unitholders/Total comprehensive loss	4,234,797	(451,631)
Adjustments for:		
Different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	2,511	-
Interest income on bank deposits	(15)	(237)
Dividend income	(515,768)	(259,688)
Withholding tax	18,197	8,397
	<hr/> 3,739,722	<hr/> (703,159)
Net change in amounts payable on purchase of investments	(2,976,171)	
Net change in other receivables	-	(34)
Net change in financial assets at fair value through profit or loss	(12,842,294)	882,771
Net change in other payables	18,097	(3,261)
	<hr/> (12,060,646)	<hr/> 176,317
Cash (used in)/from operations		
Interest received	15	241
Dividend received, net of withholding tax	329,172	171,592
	<hr/> (11,731,459)	<hr/> 348,150
<b>Net cash (used in)/inflow from operating activities</b>		
<b>Cash flows from financing activities</b>		
Proceeds from subscription of units	14,100,000	-
Payments on redemption of units	(3,600,000)	-
	<hr/> 10,500,000	<hr/> -
<b>Net cash inflow from financing activities</b>		
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,231,459)	348,150
Cash and cash equivalents at the beginning of the period	3,330,870	689,701
	<hr/> 2,099,411	<hr/> 1,037,851
<b>Cash and cash equivalents at the end of the period</b>		
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at bank	<hr/> <hr/> 2,099,411	<hr/> <hr/> 1,037,851

**HAITONG HONG KONG EQUITY INVESTMENT FUND**  
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**Investment Portfolio (unaudited)**

30 June 2021

	Holdings	Fair value USD	% of Net Assets
<b>Listed equities (95.00%)</b>			
<b><u>Cayman Islands (0.50%)</u></b>			
China Literature Limited	20,000	222,390	0.50
<b><u>China (75.71%)</u></b>			
Anta Sports Products Ltd	40,000	941,582	2.14
BOC Hong Kong Holdings Ltd	125,000	424,144	0.96
BYD Co Ltd H Shares	55,000	1,644,550	3.73
China Longyuan Power Group Corp H Shares	750,000	1,292,229	2.93
China Merchants Bank Co Ltd H Shares	250,000	2,132,790	4.84
China Suntien Green Energy Corp H Shares	2,500,000	1,226,555	2.79
Citic Securities Co Ltd H Shares	150,000	376,272	0.85
Country Garden Services Holdings Co Ltd	140,000	1,512,559	3.43
CSPC Pharmaceutical Group Ltd	600,000	868,440	1.97
ENN Energy Holdings Ltd	45,000	856,464	1.94
Fuyao Glass Industry Group Co Ltd H Shares	60,000	422,630	0.96
Geely Automobile Holdings Ltd	400,000	1,259,392	2.86
Jiangxi Ganfeng Lithium Co Ltd	40,000	597,503	1.36
Li Ning Co Ltd	240,000	2,929,826	6.65
Livzon Pharmaceutical Group Inc H Shares	150,000	738,831	1.68
Longfor Group Holdings Ltd Ord	289,000	1,618,860	3.68
Meituan (formerly known as "Meituan Dianping")	40,000	1,650,345	3.75
Microport Scientific Corp	300,000	2,690,696	6.11
Petrochina Co Ltd H Shares	2,000,000	973,518	2.21
Pharmaron Beijing Co Ltd	50,000	1,332,792	3.03
Tencent Holdings Ltd	20,000	1,504,060	3.42
Wuxi Apptec Co Ltd	50,000	1,167,320	2.65
Wuxi Biologics Cayman Inc	120,000	2,198,914	4.99
Xiaomi Corp Class B	500,000	1,738,425	3.95
Zhongsheng Group Holdings Ltd	150,000	1,247,803	2.83
		<hr/>	
		33,346,500	75.71
		<hr/>	
<b><u>Hong Kong (18.79%)</u></b>			
AIA Group Ltd	170,000	2,112,508	4.80
China Lessu Group Holdings Ltd	500,000	1,233,638	2.80
Hong Kong Exchanges and Clearing Ltd	33,000	1,966,661	4.46
Kingboard Laminates Holdings Ltd	400,000	897,285	2.04
New Horizon Health Ltd	20,000	203,975	0.46
Techtronic Industries Co Ltd	60,000	1,047,691	2.38
Xinyi Glass Holdings Co Ltd	200,000	815,128	1.85
		<hr/>	
		8,276,886	18.79
		<hr/>	

**HAITONG HONG KONG EQUITY INVESTMENT FUND  
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**Investment Portfolio (unaudited) (continued)**  
*30 June 2021*

	Fair value <i>USD</i>	% of Net Assets
Total investments ( <i>Total cost of investments USD33,934,291</i> )	41,845,776	95.00
Other net assets	2,200,098	5.00
Total net assets as at 30 June 2021	<u>44,045,874</u>	<u>100.00</u>

**HAITONG HONG KONG EQUITY INVESTMENT FUND  
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**Statement of Movements in Investment Portfolio (unaudited)**

*For the period from 1 January 2021 to 30 June 2021*

	Percentage holdings of net assets as at 30 June 2021	Percentage holdings of net assets as at 31 December 2020
<u>Listed equities</u>		
Cayman Islands	0.50	-
China	75.71	66.31
Hong Kong	18.79	19.47
Total	<u>95.00</u>	<u>85.78</u>

**HAITONG HONG KONG EQUITY INVESTMENT FUND  
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**Performance Record (unaudited)**

30 June 2021

	30 June 2021 USD	31 December 2020 USD	31 December 2019 USD
<b>Net assets</b>			
Class I (USD) Accumulation unit	25,722,489	23,028,758	20,221,201
Class A (USD) Accumulation unit	18,323,385	10,782,319	-
<b>Net asset value per unit</b>			
Class I (USD) Accumulation unit	170.66	152.78	134.16
Class A (USD) Accumulation unit	118.72	106.45	-
		Highest issue Price	Lowest redemption price
<u>Financial period</u>			
<u>1 January 2021 to 30 June 2021</u>			
Class I (USD) Accumulation unit		USD178.77	USD152.99
Class A (USD) Accumulation unit		USD124.50	USD106.53
<u>Year ended 31 December 2020</u>			
Class I (USD) Accumulation unit		USD155.56	USD104.32
Class A (USD) Accumulation unit		USD108.43	USD101.22
<u>Year ended 31 December 2019</u>			
Class I (USD) Accumulation unit		USD134.16	USD108.59
<u>Year ended 31 December 2018</u>			
Class I (USD) Accumulation unit		USD157.82	USD108.49
Class I (HKD) Accumulation unit		HKD1,238.52	HKD851.23
<u>Year ended 31 December 2017</u>			
Class I (USD) Accumulation unit		USD156.76	USD103.69
Class I (HKD) Accumulation unit		HKD1,224.00	HKD804.42

**HAITONG HONG KONG EQUITY INVESTMENT FUND  
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**Performance Record (unaudited) (continued)**

*30 June 2021*

	Highest issue Price	Lowest redemption price
<u>Financial period (continued)</u>		
<u>Period from 23 May 2016 (date of inception) to 31 December 2016</u>		
Class I (USD) Accumulation unit	USD111.53	USD99.10
Class I (HKD) Accumulation unit	HKD865.11	HKD768.87