



## Tracker Fund of Hong Kong

Stock Code: 2800/82800

Website : [www.trahk.com.hk](http://www.trahk.com.hk)

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# INTERIM REPORT 2024



恒生投資

HANG SENG INVESTMENT

Issued by Hang Seng Investment Management Limited  
(A wholly-owned subsidiary of Hang Seng Bank)



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Note: All figures marked “-” in this Financial Statement, including the Notes to Financial Statements, represent 0 (zero) in value or amount.

## CONDENSED STATEMENT OF NET ASSETS (UNAUDITED)

AS AT 30TH JUNE 2024

		(UNAUDITED) 30.06.2024 HK\$	(AUDITED) 31.12.2023 HK\$
	<i>Notes</i>		
<b>Assets</b>			
<b>Current assets</b>			
Investments	13	128,135,021,766	128,776,439,835
Dividend receivable		929,430,110	167,425,606
Amounts receivable on creation of units		50,469,135	5,724,935
Interest receivable		–	276
Other receivable		105,000	45,000
Bank balances	7(f)	1,327,643,046	454,528,577
<b>Total assets</b>		<b>130,442,669,057</b>	<b>129,404,164,229</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Management fee payable	7(d)	6,758,509	6,592,862
Trustee fee payable	7(e)	6,758,509	6,592,862
Index license fee payable	7(i)	4,789,991	9,478,928
Registrar fee payable	9(a)	322,626	179,349
Professional fee payable		178,500	119,000
Amounts payable on redemption of units		50,763,642	4,863,473
Other accounts payable and accruals		10,209,800	7,800,798
<b>Liabilities (excluding net assets attributable to unitholders of redeemable units)</b>		<b>79,781,577</b>	<b>35,627,272</b>
<b>Net assets attributable to unitholders of redeemable units</b>	5	<b>130,362,887,480</b>	<b>129,368,536,957</b>

The notes on pages 5 to 19 form part of these condensed financial statements.

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE HALF-YEAR ENDED 30TH JUNE 2024

	Notes	(UNAUDITED)	
		For the half-year ended 30.06.2024 HK\$	For the half-year ended 30.06.2023 HK\$
<b>Income</b>			
Dividends	7(h)	2,820,678,592	2,181,930,598
Bank interest	7(f), 4(c)	15,213,047	6,761,879
Transaction fee	4(a)	8,040,000	5,505,000
Other income	4(b)	1,485,190	1,514,887
Net gain/(loss) on investments	3	<u>4,759,088,501</u>	<u>(5,386,273,575)</u>
<b>Total investment income/(loss)</b>		<u>7,604,505,330</u>	<u>(3,190,561,211)</u>
<b>Expenses</b>			
Management fee	7(d)	13,375,044	14,005,478
Trustee fee	7(e)	13,375,044	14,018,759
Index license fee	7(i)	9,299,042	9,516,492
Transaction costs on investments	8	9,820,899	21,620,642
Registrar fee	9(a)	919,300	924,926
Publication and printing expenses		2,156,031	1,467,182
Conversion agent fee	9(b)	6,432,000	4,404,000
Audit fee		201,700	215,700
Bank charges	7(g)	346,580	300,778
Legal and other professional fees		357,021	357,000
Other operating expenses		<u>461,644</u>	<u>1,504,318</u>
<b>Total operating expenses</b>		<u>56,744,305</u>	<u>68,335,275</u>
<b>Operating profit/(loss)</b>		7,547,761,025	(3,258,896,486)
<b>Finance costs</b>			
Distributions to unitholders of redeemable units	14	<u>(1,119,598,875)</u>	<u>(654,799,250)</u>
<b>Profit/(loss) after distributions and before tax</b>		6,428,162,150	(3,913,695,736)
Withholding tax	6	<u>(67,652,327)</u>	<u>(67,081,473)</u>
<b>Increase/(decrease) in net assets attributable to unitholders of redeemable units from operations</b>		<u>6,360,509,823</u>	<u>(3,980,777,209)</u>

The notes on pages 5 to 19 form part of these condensed financial statements.

**CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF REDEEMABLE UNITS (UNAUDITED)**

FOR THE HALF-YEAR ENDED 30TH JUNE 2024

	(UNAUDITED)				
	Notes	For the half-year ended 30.06.2024 Units	For the half-year ended 30.06.2024 HK\$	For the half-year ended 30.06.2023 Units	For the half-year ended 30.06.2023 HK\$
<b>Net assets attributable to unitholders of redeemable units at 1st January</b>		7,519,992,500	129,368,536,957	6,567,992,500	130,770,766,462
Issue of units					
– In-kind	5, 10	6,655,000,000	115,623,885,059	4,830,000,000	97,394,563,997
– Cash component	10	-	825,481,041	-	434,865,303
		6,655,000,000	116,449,366,100	4,830,000,000	97,829,429,300
Redemption of units					
– In-kind	5, 10	(6,975,000,000)	(121,011,759,355)	(4,704,000,000)	(95,313,332,027)
– Cash component	10	-	(803,766,045)	-	(394,590,873)
		(6,975,000,000)	(121,815,525,400)	(4,704,000,000)	(95,707,922,900)
Net (redemption)/issue of units		(320,000,000)	(5,366,159,300)	126,000,000	2,121,506,400
Increase/(decrease) in net assets attributable to unitholders of redeemable units from operations		-	6,360,509,823	-	(3,980,777,209)
<b>Net assets attributable to unitholders of redeemable units at 30th June</b>		<b>7,199,992,500</b>	<b>130,362,887,480</b>	<b>6,693,992,500</b>	<b>128,911,495,653</b>

The notes on pages 5 to 19 form part of these condensed financial statements.

## CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE HALF-YEAR ENDED 30TH JUNE 2024

		(UNAUDITED)	
		For the half-year ended 30.06.2024 HK\$	For the half-year ended 30.06.2023 HK\$
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments	10	4,138,950,528	7,360,144,601
Payments for purchase of investments	10	(4,126,318,254)	(7,327,371,266)
Dividends received		1,991,021,761	1,377,469,931
Bank interest received		15,213,323	6,731,234
Transaction fee received		7,980,000	5,460,000
Management fee paid		(13,209,397)	(13,528,267)
Trustee fee paid		(13,209,397)	(22,153,328)
Index license fee paid		(13,987,979)	(9,072,618)
Registrar fee paid		(776,023)	(933,848)
Publication and printing expenses paid		(1,044,756)	(975,578)
Transaction costs on investments paid		(9,820,899)	(21,620,642)
Conversion agent fee paid		(5,916,000)	(4,764,000)
Bank charges paid		(346,580)	(300,778)
Legal and other professional fees paid		(297,521)	(357,000)
Other operating expenses refund/(paid)		118,383	(1,620,934)
		1,968,357,189	1,347,107,507
<b>Net cash generated from operating activities</b>			
		1,968,357,189	1,347,107,507
<b>Cash flows from financing activities</b>			
Cash component received on issue of units	10	780,736,841	437,918,504
Cash component paid on redemption of units	10	(757,865,876)	(375,960,928)
Interim distribution paid	4(b), 14	(1,118,113,685)	(653,284,781)
		(1,095,242,720)	(591,327,205)
<b>Net cash used in financing activities</b>			
		(1,095,242,720)	(591,327,205)
<b>Net increase in cash and cash equivalents</b>			
		873,114,469	755,780,302
Cash and cash equivalents at the beginning of the period		454,528,577	322,298,636
<b>Cash and cash equivalents at the end of the period</b>			
		1,327,643,046	1,078,078,938
<b>Analysis of balances of cash and cash equivalents:</b>			
Bank balances	7(f)	1,327,643,046	1,078,078,938

Please refer to note 10 for details of major non-cash transactions.

The notes on pages 5 to 19 form part of these condensed financial statements.

## **NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

### **1 General Information**

Tracker Fund of Hong Kong (the "Fund") is a unit trust which is governed by its Trust Deed dated 23rd October 1999, as amended, supplemented or restated from time to time (the "Trust Deed"). The Fund is authorized by the Securities and Futures Commission of Hong Kong under Section 104(1) of the Hong Kong Securities and Futures Ordinance. The Fund is also listed on The Stock Exchange of Hong Kong Limited (a subsidiary of the Hong Kong Exchanges and Clearing Limited).

The manager and the trustee of the Fund are Hang Seng Investment Management Limited (the "Manager") and State Street Bank and Trust Company (the "Trustee") respectively.

The Fund's objective is to provide investment results that closely correspond to the performance of the Hang Seng Index (the "Index").

These unaudited condensed interim financial statements were approved for issue on 21 August 2024. The financial statements have been reviewed, not audited.

### **2 Basis of preparation and accounting policies**

These unaudited condensed interim financial statements for the half-year ended 30th June 2024 have been prepared in accordance with Hong Kong Accounting Standard 34, "Interim financial reporting". The unaudited condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31st December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies and methods of computation applied are consistent with those of the annual financial statements for the year ended 31st December 2023. Amendments to HKFRS effective for the financial year ending 31st December 2024 are not expected to have a material impact on the Fund.



## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

### 3 Net gain/(loss) on investments

	(UNAUDITED)	
	For the half-year ended 30.06.2024 HK\$	For the half-year ended 30.06.2023 HK\$
Change in unrealized gain/(loss) on investments	11,004,933,832	(14,019,915,940)
Realized (loss)/gain on sale of investments	(6,245,845,331)	8,633,642,365
	<u>4,759,088,501</u>	<u>(5,386,273,575)</u>

### 4 Income

#### (a) Transaction fee

Applications to create or redeem units are only made through brokers or dealers (who itself or its agent is a participant in Central Clearing and Settlement System ("CCASS") and to whose or whose agent's account any units are for the time being credited by Hong Kong Securities Clearing Company ("HKSCC")) (the "Participating Dealers") which have executed participation agreements with the Manager, the Trustee, HK Conversion Agency Services Limited (the "Conversion Agent") and HKSCC. The Fund is entitled to receive a transaction fee of HK\$15,000 per total aggregate creation and redemption orders per day per Participating Dealer.

#### (b) Other income

Other income represents registrar charges levied on unitholders (other than HKSCC Nominees) who hold units registered in their own names as at each record date for the relevant distribution. Currently, these charges amount to the lower of HK\$40 per distribution per unitholder and the unitholder's actual distribution entitlement. Such charges are deducted on a half-yearly basis from the half-yearly distributions payable to the relevant unitholders.

#### (c) Interest earned on Distribution Account

On or before each distribution date, the amount of cash required to effect the distribution is transferred to the distribution account established by the Trustee ("Distribution Account") in accordance with the Trust Deed.

Under the terms of the Trust Deed, interest income that is earned in the Distribution Account is transferred to the Fund on an annual basis. During the half-year ended 30th June 2024, the Fund received interest income of HK\$1,574,192 (for the half-year ended 30th June 2023: HK\$1,189,512) from the Distribution Account.

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

### 5 Number of units in issue and net assets attributable to unitholders of redeemable units

The Fund's capital is represented by the net assets attributable to unitholders of redeemable units. Units are issued through an in-kind creation of an Index Basket with the remaining balances in cash, and are redeemed in-kind with the remaining balances in cash. Creations and redemptions of units during the half-year are shown on the Condensed Statement of Changes in Net Assets Attributable to Unitholders of Redeemable Units.

In accordance with the provisions of the Trust Deed, listed investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for creations and redemptions and for various fee calculations.

Net assets attributable to unitholders of redeemable units at last traded market prices represent a liability in the Condensed Statement of Net Assets, carried at the redemption amount that would be payable at the half-year end date if the unitholders exercised the right to redeem the units in the Fund.

	(UNAUDITED)		
	01.01.2024 to 30.06.2024	Number of units 01.07.2023 to 31.12.2023	01.01.2023 to 30.06.2023
Units in issue at the beginning of the period	7,519,992,500	6,693,992,500	6,567,992,500
Issue of units	6,655,000,000	5,808,000,000	4,830,000,000
Redemption of units	(6,975,000,000)	(4,982,000,000)	(4,704,000,000)
Units in issue at the end of the period	<u>7,199,992,500</u>	<u>7,519,992,500</u>	<u>6,693,992,500</u>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Net assets attributable to holders of redeemable units	<u>130,362,887,480</u>	<u>129,368,536,957</u>	<u>128,911,495,653</u>
Net assets attributable to holders of redeemable units (per unit)	<u>18.11</u>	<u>17.20</u>	<u>19.26</u>
Net asset value per Creation Unit (1 Creation Unit is equivalent to 1,000,000 units)	<u>18,105,975</u>	<u>17,203,280</u>	<u>19,257,789</u>

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

### 6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempted from profits tax under Sections 26A(1A) of the Hong Kong Inland Revenue Ordinance.

The Fund has investments in shares of companies in People's Republic of China ("PRC") listed on the Hong Kong Stock Exchange ("H-shares") and stocks that are based in mainland China and controlled, either directly or indirectly, by the central, provincial or municipal governments of the PRC but listed in Hong Kong to allow overseas investment in ("Red Chips"). Under general taxing provisions of the Corporate Income Tax Law ("CIT Law"), a fund could be technically subject to 10% withholding income tax ("WIT") on the PRC sourced capital gains, unless exempt or reduced under relevant double tax treaties. However, there may be practical difficulty for the PRC tax authorities to impose and collect WIT on such capital gains. The 10% WIT has not been strictly enforced by local tax bureau on capital gains derived by non-tax resident enterprises of the PRC from the trading of H-Shares and Red Chips. Where capital gains are derived from trading of H-Shares and Red Chips, Value added tax ("VAT") in general is not imposed as the purchase and disposal are often concluded and completed outside the PRC.

No provision was made for taxation from such gains in the financial statements as the Manager believes that the taxation on capital gains derived from H-Shares and Red Chips is not probable under the current enforcement environment.

WIT of 10% was charged on dividend income received from H-shares and Red Chips (which had applied to be treated as PRC tax resident enterprises) during the half-years ended 30th June 2024 and 2023.

### 7 Transactions with the related parties, Manager, Trustee and their Connected Persons

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties of the Fund also include the Manager, investment delegate, Trustee/custodian and their Connected Persons. Connected Persons are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the half-year between the Fund and its related parties were entered into in the ordinary course of business and on normal commercial terms. To the best of the Manager's and the Trustee's knowledge, the Fund did not have any other transactions with the Manager, its related parties and Connected Persons, or the Trustee, its related parties and Connected Persons except for those disclosed below.

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

### 7 Transactions with the related parties, Manager, Trustee and their Connected Persons (Continued)

(a) *Manager's holding in the Fund*

The Manager, and its directors and officers, may transact in the units of the Fund as principal. As at 30th June 2024, the Manager, and its directors and officers together held 67,500 units in the Fund (as at 31st December 2023: 67,500 units).

(b) *Group companies of the Manager's holding in the Fund*

The group companies of the Manager, being the Connected Person to the Manager, may transact in the units of the Fund as principal. As at 30th June 2024, the group companies of the Manager together held 6,759,510 units in the Fund (as at 31st December 2023: 221,145,240 units).

(c) *Trustee's holding in the Fund*

The Trustee, and its directors and officers and Connected Persons may transact in the units of the Fund as principal. As at 30th June 2024, the Trustee, and its related parties and Connected Persons together held 17,320 units in the Fund (as at 31st December 2023: 16,320 units).

(d) *Management fee*

The fee payable to the Manager is calculated at the following annual rates of the net asset value of the Fund on the last dealing day in the relevant quarter:

For the first HK\$15 billion of the net asset value	0.045%
For the next HK\$15 billion of the net asset value	0.030%
For the next HK\$15 billion of the net asset value	0.020%
Any amount by which the net asset value exceeds HK\$45 billion	0.015%

The management fee is accrued daily and payable quarterly in arrears.

Management fee paid to the Manager during the half-year amounted to HK\$13,375,044 (for the half-year ended 30th June 2023: HK\$14,005,478). Management fee payable to the Manager as at 30th June 2024 was HK\$6,758,509 (as at 31st December 2023: HK\$6,592,862).

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

### 7 Transactions with the related parties, Manager, Trustee and their Connected Persons (Continued)

#### (e) Trustee fee

The fee payable to the Trustee is calculated at the following annual rates of the net asset value of the Fund of the last dealing day in the relevant quarter:

For the first HK\$15 billion of the net asset value	0.045%
For the next HK\$15 billion of the net asset value	0.030%
For the next HK\$15 billion of the net asset value	0.020%
Any amount by which the net asset value exceeds HK\$45 billion	0.015%

The Trustee fee is paid to State Street Bank and Trust Company for acting as the trustee and the custodian of the Fund and covers all portfolio valuation services, administration of securities trading, acquisition, delivery, holding and disposal of investments, corporate actions, dividend collection and distribution, dividend reinvestment, regulatory filings, tax filings, preparation of semi-annual and annual reports and maintenance of accounting records (but not auditing) and excludes transaction fees, costs and charges and other out-of-pocket expenses.

The trustee fee is accrued daily and payable quarterly in arrears.

Trustee fee paid to the Trustee during the half-year amounted to HK\$13,375,044 (for the half-year ended 30th June 2023: HK\$14,018,759). Trustee fee payable to the Trustee as at 30th June 2024 was HK\$6,758,509 (as at 31st December 2023: HK\$6,592,862).

#### (f) Bank balances

Bank balance held with the State Street Bank and Trust Company, the Trustee, amounted to HK\$89,318,665 as at 30th June 2024 (as at 31st December 2023: HK\$48,510,659). Such account is interest bearing. Interest income amounting to HK\$70,695 was accrued and HK\$70,695 was received for the half-year ended 30th June 2024 with respect to the bank balance held with the Trustee (As at 31st December 2023, interest income amounting to HK\$191,565 was accrued and HK\$191,289 was received).

Bank balance held with the Hongkong and Shanghai Banking Corporation Limited, which is the intermediate holding company of the Manager, amounted to HK\$22 as at 30th June 2024 (as at 31st December 2023: HK\$5,000). Such account is non-interest bearing.

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

### 7 Transactions with the related parties, Manager, Trustee and their Connected Persons (Continued)

(g) *Bank charges*

Bank charges amounting to HK\$346,580 was incurred during the half-year with respect to the bank balance held with the Hongkong and Shanghai Banking Corporation Limited, which is the intermediate holding company of the Manager (for the half-year ended 30th June 2023: HK\$300,778).

(h) *Dividends*

During the half-year, the fund made investments in the stocks of HSBC Holdings Plc ("HSBC"), the ultimate holding company of the Manager, and Hang Seng Bank Limited, the immediate holding company of the Manager. Details of such investments held as at the year end date are shown in the Investment Portfolio. Dividend income earned from these investments for the half-year ended 30th June 2024 and 30th June 2023 is as follows:

	For the half-year ended 30.06.2024 HK\$	For the half-year ended 30.06.2023 HK\$
Hang Seng Bank Limited	39,385,545	24,622,811
HSBC Holdings Plc	812,455,373	500,443,443

(i) *Index license fee*

The index license fee is calculated at the following annual rates of the net asset value of the Fund, subject to a minimum fee of US\$10,000:

For the first HK\$100 billion of the net asset value	0.015%
For the next HK\$100 billion of the net asset value	0.0135%
Any amount by which the net asset value exceeds HK\$200 billion	0.012%

The index license fee is accrued daily and payable quarterly in arrears.

The Fund has been licensed by Hang Seng Indexes Company Limited ("HSIL"), an affiliate of the Manager, to use the Index to create, offer, market and sell the Fund during the half-year. License fee paid to HSIL for the half-year ended 30th June 2024 amounted to HK\$9,299,042 (for the half-year ended 30th June 2023: HK\$9,516,492). License fee payable to HSIL at the half-year end was HK\$4,789,991 (as at 31st December 2023: HK\$9,478,928).

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

### 7 Transactions with the related parties, Manager, Trustee and their Connected Persons (Continued)

(j) *Commission fee*

The Fund uses the services of the Hongkong and Shanghai Banking Corporation Limited (“HBAP”) to process some investment transactions. The following are the details of the fund’s transactions processed by HBAP for the half-year ended 30th June 2024 and 30th June 2023:

Value of transactions executed through HBAP		Share of the total value of transactions of the Fund		Commission paid to HBAP		Average commission rate	
For the half-year ended	For the half-year ended	For the half-year ended	For the half-year ended	For the half-year ended	For the half-year ended	For the half-year ended	For the half-year ended
30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
<i>HK\$</i>	<i>HK\$</i>			<i>HK\$</i>	<i>HK\$</i>		
7,122,056,551	4,907,774,436	2.90%	2.33%	4,167	60,556	0.0001%	0.0012%

### 8 Transaction costs on investments

Transaction costs are costs incurred to acquire investments. They include fees and commissions paid to agents, advisers, brokers and dealers, and local tax. Transaction costs, when incurred, are immediately recognised in Condensed Statement of Comprehensive Income as an expense.

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

### 9 Other fees

#### (a) Registrar fee

The fee payable to Computershare Hong Kong Investor Services Limited (the "Registrar"), is calculated based on the number of unitholders on the register on the first business day of the relevant month at the following fee scale, subject to a monthly maximum aggregate registrar fee of HK\$1,000,000.

	<i>HK\$</i> (per month)
For the first 2,000 Unitholders	12,000
For every additional 1,000 Unitholders up to 100,000 Unitholders	2,650
For every additional 1,000 Unitholders above 100,000 Unitholders	2,250

The registrar fee is accrued daily and payable monthly in advance.

The Registrar is also reimbursed for all of its out-of-pocket expenses incurred in connection with performing its services.

#### (b) Conversion agent fee

The Conversion Agent, HK Conversion Agency Services Limited, received a monthly retainer fee of HK\$16,000 plus a transaction fee of HK\$12,000 on total aggregate creation and redemption orders per day per Participating Dealer.

The conversion agent fee is accrued daily and payable monthly in arrears.



## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

### 10 Major non-cash transactions

In accordance with the Trust Deed, units are issued through an in-kind creation of an Index Basket with the remaining balances in cash. For each Creation Unit (of 1,000,000 units), the Fund receives an Index Basket consisting of constituent shares as determined by the Manager on a daily basis. During the half-year ended 30th June 2024, the Fund issued 6,655,000,000 units (for the half-year ended 30th June 2023: 4,830,000,000 units), totaling HK\$116,449,366,100 (for the half-year ended 30th June 2023: HK\$97,829,429,300) in exchange for Index Baskets consisting of investments valued at HK\$115,623,885,059 (for the half-year ended 30th June 2023: HK\$97,394,563,997) plus the relevant cash component of HK\$825,481,041 (for the half-year ended 30th June 2023: HK\$434,865,303).

In accordance with the Trust Deed, units are redeemed in-kind with the remaining balances in cash. During the half-year ended 30th June 2024, the Fund redeemed 6,975,000,000 units (for the half-year ended 30th June 2023: 4,704,000,000 units), totaling HK\$121,815,525,400 (for the half-year ended 30th June 2023: HK\$95,707,922,900) in exchange for Index Baskets consisting of investments valued at HK\$121,011,759,355 (for the half-year ended 30th June 2023: HK\$95,313,332,027) plus the relevant cash component of HK\$803,766,045 (for the half-year ended 30th June 2023: HK\$394,590,873).

### 11 Soft dollar practices

The Manager may effect transactions, provided that any such transaction is consistent with standards of "best execution", by or through the agency of another person for the account of the Fund with whom the Manager or any of its Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Manager or any of its Connected Persons goods, services or other benefits (such as research and advisory services, computer hardware associated with specialized software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Fund as a whole and may contribute to an improvement in the performance of the Fund. For the avoidance of doubt, such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments.

Since the inception of the Fund, the Manager had not participated in any soft dollar arrangements in respect of any transactions for the account of the Fund.

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

### 12 Investment limitations and prohibitions under the SFC Code

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

As at 30th June 2024 and 31st December 2023, there were no securities that individually accounted for more than 10% of the net asset value of the Fund.

During the half-year ended 30th June 2024, the Hang Seng Index increased by 3.94% (for the half-year ended 30th June 2023: decreased by 4.37%), while the net asset value per unit of the Fund increased by 5.25% (for the half-year ended 30th June 2023: decreased by 3.28%).

### 13 Financial risk management

#### (a) Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the half-year end date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

### 13 Financial risk management (Continued)

#### (a) Fair value estimation (Continued)

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund can access at the measurement date (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 or 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 categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

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

The following table analyses within the fair value hierarchy the Fund’s investments (by class) measured at fair value as at 30th June 2024 and 31st December 2023.

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

### 13 Financial risk management (Continued)

(a) Fair value estimation (Continued)

All fair value measurements disclosed are recurring fair value measurements.

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<b>As at 30.06.2024</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Equity securities	127,231,833,658	-	-	127,231,833,658
- Collective Investment Scheme	903,188,108	-	-	903,188,108
<b>Total</b>	<b>128,135,021,766</b>	<b>-</b>	<b>-</b>	<b>128,135,021,766</b>

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<b>As at 31.12.2023</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Equity securities	127,442,364,098	-	-	127,442,364,098
- Collective Investment Scheme	1,334,075,737	-	-	1,334,075,737
<b>Total</b>	<b>128,776,439,835</b>	<b>-</b>	<b>-</b>	<b>128,776,439,835</b>

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

### 13 Financial risk management (Continued)

#### (a) Fair value estimation (Continued)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 30th June 2024 and 31st December 2023, the Fund did not hold any investments classified in level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 30th June 2024 and 31st December 2023, the Fund did not hold any investments classified in level 3.

During the half-year ended 30th June 2024 and the year ended 31st December 2023, there were no transfers of financial instruments between levels.

The assets and liabilities included in the Condensed Statement of Net Assets except investments are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

### 14 Distributions

	(UNAUDITED)	
	2024	2023
	HK\$	HK\$
Interim distribution		
– HK\$0.10 on 6,547,992,500 units paid on 31st May 2023	–	654,799,250
– HK\$0.15 on 7,463,992,500 units paid on 31st May 2024	<u>1,119,598,875</u>	<u>–</u>

## **NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)**

### **15 Segment information**

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

The Manager is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The objective of the Fund is to track the performance of the Index and invests in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

The Fund trades in the constituent shares of the Hang Seng Index with the objective to provide investment results that closely correspond to the performance of the Index.

The internal reporting provided to the Manager for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of HKFRS.

There were no changes in the reportable segment during the half-year ended 30th June 2024 and the year ended 31st December 2023.

The Fund is domiciled in Hong Kong. All of the Fund's income is generated in Hong Kong. Majority of such income is from investments in entities listed in Hong Kong.

The Fund has no assets classified as non-current assets. The Fund has portfolios that closely correspond to the security weight and industry weight of the relevant tracked index. As at 30th June 2024 and 31st December 2023, there were no securities that individually accounted for more than 10% of the net asset value of the Fund.

The Fund also has a diversified unitholder population. However, as at 30th June 2024 and 31st December 2023, there was one nominee company that held more than 10% of the Fund's net assets. The nominee company's holdings were 95.76% as at 30th June 2024 and 95.87% as at 31st December 2023.

## INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30TH JUNE 2024

	Holdings	Fair value HK\$	% of net assets
<b>Hong Kong</b>			
<b>Listed investments (98.29%)</b>			
<b>Equities (97.60%)</b>			
<b>Conglomerates (1.36%)</b>			
CITIC Ltd.	84,744,656	601,687,058	0.46
CK Hutchison Holdings Ltd.	31,241,614	1,168,436,364	0.90
		1,770,123,422	1.36
<b>Consumer Discretionary (9.73%)</b>			
ANTA Sports Products Ltd.	16,503,815	1,237,786,125	0.95
BYD Company Ltd.	12,155,216	2,820,010,112	2.16
Chow Tai Fook Jewellery Group Ltd.	23,276,897	196,689,780	0.15
Galaxy Entertainment Group Ltd.	25,481,930	927,542,252	0.71
Geely Automobile Holdings Ltd.	70,359,427	618,459,363	0.47
Haidilao International Holding Ltd.	19,485,884	273,581,811	0.21
Haier Smart Home Co. Ltd.	28,313,488	738,982,037	0.57
Li Auto Inc.	16,072,797	1,129,917,629	0.87
Li Ning Co. Ltd.	27,104,649	458,068,568	0.35
MTR Corporation Ltd.	21,734,411	535,753,231	0.41
Sands China Ltd.	33,008,435	537,377,322	0.41
Shenzhen International Group Holdings Ltd.	9,634,184	736,533,367	0.57
Techtronic Industries Co. Ltd.	18,171,452	1,620,893,518	1.24
Trip.com Group Ltd.	1,991,371	745,967,577	0.57
Zhongsheng Group Holdings Ltd.	9,730,156	111,118,382	0.09
		12,688,681,074	9.73
<b>Consumer Staples (2.30%)</b>			
Budweiser Brewing Co. APAC Ltd.	23,148,154	212,963,017	0.16
China Mengniu Dairy Co. Ltd.	36,685,681	513,599,534	0.39
China Resources Beer Holdings Co. Ltd.	18,902,116	496,180,545	0.38
Hengan International Group Co. Ltd.	8,125,521	193,387,400	0.15
Nongfu Spring Co. Ltd.	23,466,907	869,448,904	0.67
Tingyi Cayman Islands Holding Corporation	22,980,661	216,248,020	0.17
WH Group Ltd.	97,178,957	499,499,839	0.38
		3,001,327,259	2.30

## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30TH JUNE 2024

	Holdings	Fair value HK\$	% of net assets
<b>Energy (6.80%)</b>			
China Petroleum & Chemical Corporation	284,061,095	1,437,349,141	1.10
China Shenhua Energy Co. Ltd.	39,356,667	1,414,872,179	1.09
CNOOC Ltd.	181,803,201	4,072,391,702	3.12
PetroChina Co. Ltd.	245,859,279	1,942,288,304	1.49
		8,866,901,326	6.80
<b>Financials (33.48%)</b>			
AIA Group Ltd.	131,600,796	6,974,842,188	5.35
Bank of China Ltd.	974,421,563	3,751,523,018	2.88
BOC Hong Kong (Holdings) Ltd.	43,120,467	1,037,047,231	0.80
China Construction Bank Corporation	1,260,674,201	7,274,090,140	5.58
China Life Insurance Co. Ltd.	86,710,021	957,278,632	0.73
China Merchants Bank Co. Ltd.	45,471,943	1,611,980,379	1.24
Hang Seng Bank Ltd.	8,911,174	894,681,870	0.69
Hong Kong Exchanges and Clearing Ltd.	14,034,888	3,511,528,978	2.69
HSBC Holdings Plc	155,770,983	10,639,158,139	8.16
Industrial and Commercial Bank of China Ltd.	910,242,702	4,223,526,137	3.24
Ping An Insurance (Group) Co. of China Ltd.	78,106,040	2,764,953,816	2.12
		43,640,610,528	33.48
<b>Healthcare (2.07%)</b>			
Alibaba Health Information Tech Ltd.	75,004,809	234,765,052	0.18
CSPC Pharmaceutical Group Ltd.	104,028,874	647,059,596	0.50
Hansoh Pharmaceutical Group Co. Ltd.	13,828,611	225,682,932	0.17
JD Health International Inc.	13,006,627	276,390,824	0.21
Sino Biopharmaceutical Ltd.	131,450,955	350,974,050	0.27
Sinopharm Group Co. Ltd.	15,635,958	324,446,128	0.25
WuXi AppTec Co. Ltd.	4,059,372	118,533,662	0.09
WuXi Biologics (Cayman) Inc.	44,658,813	515,362,702	0.40
		2,693,214,946	2.07



## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30TH JUNE 2024

	Holdings	Fair value HK\$	% of net assets
<b>Industrials (0.79%)</b>			
Orient Overseas International Ltd.	1,539,077	195,001,056	0.15
Sunny Optical Tech Co. Ltd.	8,307,155	400,820,229	0.31
Xinyi Glass Holdings Ltd.	24,602,897	210,600,798	0.16
Xinyi Solar Holdings Ltd.	57,094,015	224,379,479	0.17
		1,030,801,562	0.79
		1,030,801,562	0.79
<b>Information Technology (28.28%)</b>			
Alibaba Group Holding Ltd.	131,550,353	9,274,299,886	7.11
Baidu Inc.	8,240,832	702,530,928	0.54
BYD Electronic International Co. Ltd.	9,189,849	358,404,111	0.28
JD.com Inc.	18,525,819	1,913,717,103	1.47
Lenovo Group Ltd.	93,957,038	1,035,406,559	0.79
Meituan	69,018,368	7,667,940,685	5.88
NetEase Inc.	8,052,266	1,200,592,861	0.92
Semiconductor Manufacturing International Corporation	48,738,128	834,396,751	0.64
Tencent Holdings Ltd.	28,273,234	10,528,952,342	8.08
Xiaomi Corporation	203,500,351	3,353,685,784	2.57
		36,869,927,010	28.28
		36,869,927,010	28.28
<b>Materials (1.10%)</b>			
China Hongqiao Group Ltd.	33,124,790	391,535,018	0.30
Zijin Mining Group Co. Ltd.	63,509,207	1,046,631,731	0.80
		1,438,166,749	1.10
		1,438,166,749	1.10
<b>Properties &amp; Construction (3.69%)</b>			
China Overseas Land & Investment Ltd.	44,638,261	604,402,054	0.46
China Resources Land Ltd.	37,392,799	992,778,813	0.76
China Resources Mixc Lifestyle Services Ltd.	7,979,223	206,262,915	0.16
CK Asset Holdings Ltd.	22,743,945	665,260,391	0.51
Hang Lung Properties Ltd.	20,971,293	139,668,811	0.11
Henderson Land Development Co. Ltd.	16,925,027	354,579,316	0.27

## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30TH JUNE 2024

	Holdings	Fair value HK\$	% of net assets
<b>Properties &amp; Construction (3.69%) (Continued)</b>			
Longfor Group Holdings Ltd.	27,600,218	295,874,337	0.23
New World Development Co. Ltd.	16,129,017	117,903,114	0.09
Sun Hung Kai Properties Ltd.	15,195,317	1,026,443,663	0.79
Wharf Real Estate Investment Co. Ltd.	19,459,650	402,814,755	0.31
		4,805,988,169	3.69
		4,805,988,169	3.69
<b>Telecommunications (4.63%)</b>			
China Mobile Ltd.	71,652,355	5,517,231,335	4.23
China Unicom (Hong Kong) Ltd.	71,311,353	511,302,401	0.40
		6,028,533,736	4.63
		6,028,533,736	4.63
<b>Utilities (3.37%)</b>			
China Resources Power Holdings Co. Ltd.	22,423,289	537,037,772	0.41
CK Infrastructure Holdings Ltd.	7,340,273	323,706,039	0.25
CLP Holdings Ltd.	23,551,911	1,486,125,584	1.14
ENN Energy Holdings Ltd.	9,227,104	593,764,142	0.46
Power Assets Holdings Ltd.	16,141,453	681,976,389	0.52
The Hong Kong and China Gas Co. Ltd.	130,462,618	774,947,951	0.59
		4,397,557,877	3.37
		4,397,557,877	3.37
Total Listed equities		127,231,833,658	97.60
<b>Real Estate Investment Trust (0.69%)</b>			
Link Real Estate Investment Trust	29,759,081	903,188,108	0.69
Total investments, at cost		125,302,021,335	

## STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

FOR THE HALF-YEAR ENDED 30TH JUNE 2024

	31.12.2023	(UNAUDITED) Holdings		30.06.2024
		Additions	Disposals	
<b>Hong Kong</b>				
<b>Listed investments</b>				
<b>Equities</b>				
<b>Conglomerates</b>				
CITIC Ltd.	86,364,264	78,930,936	(80,550,544)	84,744,656
CK Hutchison Holdings Ltd.	31,838,049	29,097,084	(29,693,519)	31,241,614
<b>Consumer Discretionary</b>				
ANTA Sports Products Ltd.	16,819,170	15,370,935	(15,686,290)	16,503,815
BYD Company Ltd.	12,387,327	11,320,274	(11,552,385)	12,155,216
Chow Tai Fook Jewellery Group Ltd.	23,750,513	21,681,706	(22,155,322)	23,276,897
Galaxy Entertainment Group Ltd.	25,968,541	23,732,047	(24,218,658)	25,481,930
Geely Automobile Holdings Ltd.	71,703,491	65,530,379	(66,874,443)	70,359,427
Haidilao International Holding Ltd.	19,858,007	18,148,413	(18,520,536)	19,485,884
Haier Smart Home Co. Ltd.	28,854,117	26,370,657	(26,911,286)	28,313,488
Li Auto Inc.	16,360,075	14,965,564	(15,252,842)	16,072,797
Li Ning Co. Ltd.	28,173,348	51,394,204	(52,462,903)	27,104,649
MTR Corporation Ltd.	22,139,027	20,241,017	(20,645,633)	21,734,411
Sands China Ltd.	33,639,018	30,743,418	(31,374,001)	33,008,435
Shenzhou International Group Holdings Ltd.	9,818,059	8,972,505	(9,156,380)	9,634,184
Techtronic Industries Co. Ltd.	18,520,703	16,924,346	(17,273,597)	18,171,452
Trip.com Group Ltd.	1,623,458	2,138,223	(1,770,310)	1,991,371
Zhongsheng Group Holdings Ltd.	9,938,262	9,056,919	(9,265,025)	9,730,156
<b>Consumer Staples</b>				
Budweiser Brewing Co. APAC Ltd.	23,590,355	21,560,851	(22,003,052)	23,148,154
China Mengniu Dairy Co. Ltd.	37,430,542	34,180,516	(34,925,377)	36,685,681
China Resources Beer Holdings Co. Ltd.	19,263,416	17,605,084	(17,966,384)	18,902,116
Hengan International Group Co. Ltd.	8,280,709	7,567,379	(7,722,567)	8,125,521
Nongfu Spring Co. Ltd.	23,915,231	21,856,438	(22,304,762)	23,466,907
Tingyi Cayman Islands Holding Corporation	23,418,939	21,402,564	(21,840,842)	22,980,661
WH Group Ltd.	99,035,374	90,511,216	(92,367,633)	97,178,957
<b>Energy</b>				
China Petroleum & Chemical Corporation	293,891,489	265,810,706	(275,641,100)	284,061,095
China Shenhua Energy Co. Ltd.	40,108,211	36,655,310	(37,406,854)	39,356,667
CNOOC Ltd.	185,276,651	169,328,537	(172,801,987)	181,803,201
PetroChina Co. Ltd.	250,554,643	228,987,860	(233,683,224)	245,859,279

## STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

FOR THE HALF-YEAR ENDED 30TH JUNE 2024

	31.12.2023	(UNAUDITED) Holdings		30.06.2024
		Additions	Disposals	
<b>Financials</b>				
AIA Group Ltd.	136,774,840	122,705,955	(127,879,999)	131,600,796
Bank of China Ltd.	993,034,072	907,565,715	(926,178,224)	974,421,563
BOC Hong Kong (Holdings) Ltd.	43,944,072	40,161,138	(40,984,743)	43,120,467
China Construction Bank Corporation	1,284,755,204	1,174,180,429	(1,198,261,432)	1,260,674,201
China Life Insurance Co. Ltd.	88,365,925	80,760,271	(82,416,175)	86,710,021
China Merchants Bank Co. Ltd.	46,340,708	42,352,370	(43,221,135)	45,471,943
Hang Seng Bank Ltd.	9,081,400	8,297,649	(8,467,875)	8,911,174
Hong Kong Exchanges and Clearing Ltd.	14,303,140	13,069,940	(13,338,192)	14,034,888
HSBC Holdings Plc	176,043,794	151,034,736	(171,307,547)	155,770,983
Industrial and Commercial Bank of China Ltd.	876,094,760	882,460,552	(848,312,610)	910,242,702
Ping An Insurance (Group) Co. of China Ltd.	79,597,729	72,747,099	(74,238,788)	78,106,040
<b>Healthcare</b>				
Alibaba Health Information Tech Ltd.	64,286,153	79,538,438	(68,819,782)	75,004,809
CSPC Pharmaceutical Group Ltd.	106,016,836	96,888,119	(98,876,081)	104,028,874
Hansoh Pharmaceutical Group Co. Ltd.	14,093,703	12,877,700	(13,142,792)	13,828,611
JD Health International Inc.	13,218,559	12,111,788	(12,323,720)	13,006,627
Sino Biopharmaceutical Ltd.	133,961,709	122,431,349	(124,942,103)	131,450,955
Sinopharm Group Co. Ltd.	15,934,628	14,563,307	(14,861,977)	15,635,958
WuXi AppTec Co. Ltd.	4,302,100	3,793,067	(4,035,795)	4,059,372
WuXi Biologics (Cayman) Inc.	45,431,075	41,577,969	(42,350,231)	44,658,813
<b>Industrials</b>				
Orient Overseas International Ltd.	1,568,664	1,433,788	(1,463,375)	1,539,077
Sunny Optical Tech Co. Ltd.	8,466,352	7,738,265	(7,897,462)	8,307,155
Xinyi Glass Holdings Ltd.	24,725,881	23,105,728	(23,228,712)	24,602,897
Xinyi Solar Holdings Ltd.	58,151,774	53,183,063	(54,240,822)	57,094,015
<b>Information Technology</b>				
Alibaba Group Holding Ltd.	141,237,257	124,213,965	(133,900,869)	131,550,353
Baidu Inc.	8,398,170	7,675,867	(7,833,205)	8,240,832
BYD Electronic International Co. Ltd.	–	10,447,694	(1,257,845)	9,189,849
JD.com Inc.	20,767,594	18,123,925	(20,365,700)	18,525,819
Lenovo Group Ltd.	93,617,533	88,310,904	(87,971,399)	93,957,038
Meituan	70,428,617	64,255,789	(65,666,038)	69,018,368
NetEase Inc.	8,206,172	7,499,337	(7,653,243)	8,052,266
Semiconductor Manufacturing International Corporation	49,642,742	45,395,415	(46,300,029)	48,738,128
Tencent Holdings Ltd.	32,856,883	32,534,490	(37,118,139)	28,273,234
Xiaomi Corporation	208,039,484	189,226,385	(193,765,518)	203,500,351

## STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

FOR THE HALF-YEAR ENDED 30TH JUNE 2024

	31.12.2023	(UNAUDITED) Holdings		30.06.2024
		Additions	Disposals	
<b>Materials</b>				
China Hongqiao Group Ltd.	33,757,707	30,850,623	(31,483,540)	33,124,790
Zijin Mining Group Co. Ltd.	64,721,501	59,149,107	(60,361,401)	63,509,207
<b>Properties &amp; Construction</b>				
China Overseas Land & Investment Ltd.	45,491,095	41,575,239	(42,428,073)	44,638,261
China Resources Land Ltd.	38,107,102	34,825,601	(35,539,904)	37,392,799
China Resources Mixc Lifestyle Services Ltd.	8,131,740	7,431,153	(7,583,670)	7,979,223
CK Asset Holdings Ltd.	23,192,271	21,186,326	(21,634,652)	22,743,945
Country Garden Services Holdings Co. Ltd.	25,804,757	18,282,218	(44,086,975)	-
Hang Lung Properties Ltd.	21,372,897	19,531,667	(19,933,271)	20,971,293
Henderson Land Development Co. Ltd.	17,248,541	15,762,803	(16,086,317)	16,925,027
Longfor Group Holdings Ltd.	27,397,432	25,856,724	(25,653,938)	27,600,218
New World Development Co. Ltd.	16,437,456	15,020,797	(15,329,236)	16,129,017
Sun Hung Kai Properties Ltd.	17,206,214	14,989,963	(17,000,860)	15,195,317
Wharf Real Estate Investment Co. Ltd	19,831,048	18,123,330	(18,494,728)	19,459,650
<b>Telecommunications</b>				
China Mobile Ltd.	72,979,295	66,739,332	(68,066,272)	71,652,355
China Unicom (Hong Kong) Ltd.	72,673,785	66,417,637	(67,780,069)	71,311,353
<b>Utilities</b>				
China Resources Power Holdings Co. Ltd.	22,850,253	20,884,600	(21,311,564)	22,423,289
CK Infrastructure Holdings Ltd.	7,480,532	6,836,841	(6,977,100)	7,340,273
CLP Holdings Ltd.	24,001,924	21,935,816	(22,385,829)	23,551,911
ENN Energy Holdings Ltd.	9,403,453	8,593,436	(8,769,785)	9,227,104
Power Assets Holdings Ltd.	16,450,058	15,033,407	(15,342,012)	16,141,453
The Hong Kong and China Gas Co. Ltd.	132,955,010	121,510,307	(124,002,699)	130,462,618
<b>Real Estate Investment Trust</b>				
Link Real Estate Investment Trust	30,423,620	27,727,846	(28,392,385)	29,759,081

## PERFORMANCE RECORD (UNAUDITED)

FOR THE HALF-YEAR ENDED 30TH JUNE 2024

### Fund Performance

During the half-year ended 30th June 2024, the Hang Seng Index increased by 3.94% (for the half-year ended 30th June 2023: decreased by 4.37%), while the net asset value per unit of the Fund increased by 5.25% (for the half-year ended 30th June 2023: decreased by 3.28%).

## **ADMINISTRATION AND MANAGEMENT**

### **Directors of the Manager**

Ms. Ka Wai Kathy Cheung  
Ms. Wai Man Vivien Chiu  
Ms. Pui Shan Lee  
Ms. Wah Lun Rannie Lee  
Ms. Say Pin Saw  
Mr. Wing Fai Wilfred Sit  
Mr. Stuart Kingsley White  
(resigned on 27th May 2024)  
Mr. Dominic Adam Skevington  
(assigned on 27th May 2024)

### **Members of the Supervisory Committee**

Mr. George Hongchoy  
Mr. Blair Pickerell  
Mr. Stephen Law  
Prof. Chan Kalok  
Dr. Kam Pok-man  
Mr. Dean Chisholm  
Mr. Wilfred Yiu

### **Trustee and custodian**

State Street Bank and Trust Company  
68th Floor  
Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

### **Registrar**

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

### **Manager**

Hang Seng Investment Management  
Limited  
83 Des Voeux Road Central  
Hong Kong

### **Promoter**

Exchange Fund Investment Limited  
87th Floor  
Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

### **Conversion agent**

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

### **Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
22nd Floor  
Prince's Building  
Central  
Hong Kong