

FSSA China  
All Cap Fund

Semi-Annual Report

July 2023 - December 2023



## **FSSA China All Cap Fund**

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This semi-annual report shall not constitute an offer to sell or a solicitation of an offer to buy units in the FSSA China All Cap Fund. Subscriptions are to be made only on the basis of the information contained in the relevant Explanatory Memorandum, as supplemented by the latest annual and semi-annual reports.

**FSSA China All Cap Fund**  
**Report of the Manager (Unaudited)**

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**Performance**

	1 July 2023 To 31 Dec 2023	1 July 2022 To 31 Dec 2022
FSSA China All Cap Fund Class I	(11.60%)	(5.06%)
FSSA China All Cap Fund Class II	(11.56%)	(4.98%)
FSSA China All Cap Fund Class III	(11.34%)	(4.73%)
Benchmark: MSCI China Free Index	(6.07%)	(12.02%)

(Performance calculation is based on the official dealing NAV.)

**Performance review**

Key contributors to performance included ACM Research, which reported strong earnings results, with revenue and net profit significantly ahead of estimates due to improved product mix and therefore wider margins. Mediatek rose on signs of recovering end-demand for smartphones. The company, which designs integrated circuits on semiconductor chips, is benefiting from the use of artificial intelligence in its processes, as it can optimise performance and shorten the chip development time.

On the negative side, Meituan faced a challenging consumption environment, which is affecting food delivery order growth and unit economics. However, it is executing well on its core business, despite the weak macro and greater competition. China Resources Beer (CR Beer) declined, with volume growth expected to remain under pressure amid weak consumer spending. The company plans to continue rationalising its operations (by closing plants and reducing staff numbers) to improve margins over the next few years.

**Major Activity**

Significant new purchases included Hangzhou Oxygen Plant (Hangyang), a vertically integrated industrial gas supplier with strong market share in both equipment and new gas projects. The company is well positioned to benefit from the attractive global industrial gas industry, with potential for further growth and synergies through a potential merger with AirPower (the largest player in the existing projects market).

The Fund also bought Haitian International, the global market leader in plastic injection molding machines. The company has a good long-term track record, and strong recent orders suggest that they are emerging from an industry down-cycle. Continued domestic market share gains, product upgrades, and overseas expansion (where their market share is still small) could fuel future growth.

The Fund sold Weichai Power and S.F. Holding to consolidate the portfolio into higher conviction investment opportunities.

**FSSA China All Cap Fund**  
**Report of the Manager (Unaudited) (continued)**

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**Outlook**

Investing in China's dynamic market comes with an evolving set of challenges and opportunities. Today, the key challenges include shifts in geopolitics, policy priorities and demographics. In the shorter term, weak consumer confidence and rising unemployment have been additional areas of concern. But there is also an attractive opportunity set in a unique market. The quality of Chinese companies and management have improved over the years and there is room for industry leaders to continue to deliver attractive returns in a maturing economy.

As always, the Fund seeks to invest in quality companies with proven management, dominant franchises and conservative financials. Market downturns provide attractive opportunities to accumulate quality companies at lower prices – perhaps the best time to buy is when things appear gloomy and valuations are undemanding.

**FSSA China All Cap Fund**  
**Investment Portfolio (Unaudited)**  
**As at 31 December 2023**

	<b>Holdings as at 31.12.2023</b>	<b>Market value US\$</b>	<b>% of net asset value</b>
<b>Listed investments – equities (100.05%)</b>			
<i>Listed on the Stock Exchange of Hong Kong (57.46%)</i>			
ANTA Sports Products Ltd	16,800	162,975	2.40
Beijing Capital International Airport Co Ltd	140,000	41,057	0.61
China Mengniu Dairy Co Ltd	80,000	215,149	3.17
China Merchants Bank Co Ltd - H	66,791	232,657	3.42
China Resources Beer Holdings Co Ltd	64,000	280,308	4.12
China Resources Gas Group Ltd	17,900	58,684	0.86
China Resources Land Ltd	62,137	222,812	3.28
Haier Smart Home Co Ltd - H	66,800	188,632	2.78
Haitian International Holdings Ltd	16,000	39,587	0.58
Huazhu Group Ltd	47,530	159,782	2.35
JD.com Inc - A	23,776	342,548	5.04
Kingdee International Software Group Co Ltd	91,000	132,621	1.95
Longfor Group Holdings Ltd	23,500	37,619	0.55
Meituan (formerly known as Meituan Dianping)	24,450	256,444	3.77
Netease Inc	5,700	102,634	1.51
Shenzhou International Group	16,800	172,980	2.54
Sino Biopharmaceutical Ltd	275,500	122,428	1.80
Sunny Optical Technology Group Co Ltd	7,900	71,680	1.06
Tencent Holdings Ltd	15,600	586,557	8.63
Weimob Inc	91,000	33,563	0.49
Wuxi Biologics Cayman Inc	8,371	31,732	0.47
Xinyi Glass Holdings Co Ltd	114,000	127,890	1.88
Yihai International Holding Ltd	46,000	73,048	1.07
ZTO Express Cayman Inc - A	10,248	212,610	3.13
		3,905,997	57.46

**FSSA China All Cap Fund**  
**Investment Portfolio (Unaudited) (continued)**  
**As at 31 December 2023**

	<b>Holdings as at 31.12.2023</b>	<b>Market value US\$</b>	<b>% of net asset value</b>
<b>Listed investments – equities (100.05%) (continued)</b>			
<i>Listed on the Stock Exchange of New York, U.S.A.</i>			
<i>(3.54%)</i>			
ACM Research Inc	4,833	94,437	1.39
Kanzhun Ltd	8,792	146,035	2.15
		240,472	3.54
<i>Listed on the Stock Exchange of Shanghai People's Republic of China (12.78%)</i>			
Autobio Diagnostics Co Ltd - A	12,816	102,609	1.51
Dashenlin Pharmaceutical Group	26,222	91,696	1.35
Guangzhou Kingmed Diagnostics Group Co Ltd	12,400	108,961	1.60
Hongfa Technology Co Ltd - A	52,188	202,578	2.98
Nari Technology Co Ltd - A	19,080	59,808	0.88
Ping An Insurance Group Co	37,300	211,104	3.11
Yifeng Pharmacy Chain Co Ltd	16,354	91,960	1.35
		868,716	12.78
<i>Listed on the Stock Exchange of Shenzhen, People's Republic of China (23.12%)</i>			
Bank of Ningbo Co Ltd - A	24,153	68,213	1.00
Centre Testing International Group Co Ltd - A	62,700	125,538	1.85
Chacha Food Co Ltd	8,200	40,098	0.59
China Resources Boya Bio-Pharmaceutical Group Co Ltd	22,400	105,951	1.56
Hangzhou Oxygen Plant Group-A	31,500	129,219	1.90
Midea Group Co Ltd	49,754	381,718	5.61
Shanghai Hanbell Precise Machinery Co Ltd	35,397	110,656	1.63
Shanghai Liangxin Electric Co Ltd	77,160	95,683	1.41
Shenzhen Inovance Technology Co Ltd	3,400	30,148	0.44
Shenzhen Mindray Bio-Medic - A	4,800	195,894	2.88
Shenzhen Sunlord Electronics Co Ltd	37,600	142,625	2.10
Sinoseal Holding Co Ltd	13,200	70,073	1.03
Zhejiang Weixing New Building Materials Co Ltd	37,340	75,880	1.12
		1,571,696	23.12
<i>Listed on the Stock Exchange of Taiwan (3.15%)</i>			
MediaTek Inc	4,000	132,289	1.95
Silergy Corp	5,000	81,458	1.20
		213,747	3.15

**FSSA China All Cap Fund**  
**Investment Portfolio (Unaudited) (continued)**  
**As at 31 December 2023**

	<b>Market value US\$</b>	<b>% of net asset value</b>
<b>Listed investments – equities (100.05%) (continued)</b>		
Total listed investments – equities	6,800,628	100.05
Derivative financial instruments - spot foreign exchange contracts	(2)	0.00
Other net Liabilities	(3,412)	(0.05)
Net assets as at 31 December 2023	<u>6,797,214</u>	<u>100.00</u>
Total listed investments, at historical cost	<u>8,441,720</u>	

**FSSA China All Cap Fund**  
**Statement of Movements in Portfolio Holdings (Unaudited)**  
**For the period ended 31 December 2023**

<b>Listed investments</b>	<b>Portfolio holdings</b>		<b>Corporate</b>
	<b>Additions</b>	<b>Disposals</b>	<b>Action</b>
<b><u>Equities</u></b>			
<i>Listed on the Stock Exchange of Hong Kong</i>			
Beijing Capital International Airport Co Ltd	-	44,000	-
China Mengniu Dairy Co Ltd	8,000	-	-
China Merchants Bank Co Ltd - H	5,000	-	-
China Resources Beer Holdings Co Ltd	28,000	-	-
China Resources Gas Group Ltd	-	18,100	-
China Resources Land Ltd	-	16,000	-
Haitian International Holdings Ltd	16,000	-	-
Huazhu Group Ltd	-	5,400	-
JD.com Inc - A	3,250	-	-
Kingdee International Software Group Co Ltd	24,000	-	-
Longfor Group Holdings Ltd	-	23,000	-
Meituan (formerly known as Meituan Dianping)	1,000	-	-
Netease Inc	-	2,300	-
Nongfu Spring Co Ltd	-	3,400	-
Shenzhou International Group	2,300	-	-
Sino Biopharmaceutical Ltd	-	222,000	-
Sunny Optical Technology Group Co Ltd	-	700	-
Tencent Holdings Ltd	800	-	-
Weichai Power Company Limited - H	-	69,000	-
Weimob Inc	-	60,000	-
Wuxi Biologic	17	17	-
Xinyi Glass Holdings Co Ltd	16,000	-	-
Yihai International Holding Ltd	12,000	-	-
ZTO Express Cayman Inc - A	1,000	-	-



**FSSA China All Cap Fund**  
**Statement of Movements in Portfolio Holdings (Unaudited) (continued)**  
**For the period ended 31 December 2023**

Listed investments (continued)	Portfolio holdings		Corporate
	Additions	Disposals	Action
<b><u>Equities (continued)</u></b>			
<i>Listed on the Stock Exchange of New York, U.S.A.</i>			
ACM Research Inc	-	3,783	-
Kanzhun Ltd	2,449	-	-
<i>Listed on the Stock Exchange of Shanghai, People's Republic of China</i>			
Autobio Diagnostics Co Ltd - A	-	3,200	-
Dashenlin Pharmaceutical Group	-	10,000	-
Guangzhou Kingmed Diagnostics Group Co Ltd	1,400	-	-
Hongfa Technology Co Ltd - A	2,800	-	-
Ping An Insurance Group Co	-	12,200	-
Yifeng Pharmacy Chain Co Ltd	9,894	-	-
Zwsoft Co Ltd Guangzhou - A	-	812	-
<i>Listed on the Stock Exchange of Shenzhen, People's Republic of China</i>			
Centre Testing International Group Co Ltd - A	33,500	-	-
Chacha Food Co Ltd	-	6,500	-
China Resources Boya Bio-Pharmaceutical Group Co Ltd	-	5,500	-
Hangzhou Oxygen Plant Group-A	31,500	-	-
Midea Group Co Ltd	-	4,200	-
S F Holding Co Ltd	-	13,691	-
Shenzhen Mindray Bio-Medic - A	700	-	-
Shenzhen Sunlord Electronics Co Ltd	-	8,100	-
Zhejiang Weixing New Building Materials Co Ltd	-	13,000	-
<i>Listed on the Stock Exchange of Taiwan</i>			
Silergy Corp	5,000	2,000	-

**FSSA China All Cap Fund**  
**Details in Respect of Financial Derivative Instruments (Unaudited)**  
**As at 31 December 2023**

The financial derivative instruments held by the fund as at 31st December 2023 are summarized below:

Spot foreign exchange contracts

The details of spot foreign exchange contracts held by the fund as at 31st December 2023 are as follows:

As at 31st December 2023

Currency/ Amount bought	Currency/ Amount sold	Settlement date	Counterparty	Fair Value US\$
<u>Financial assets:</u>				
HKD173,459	USD22,196	02 January 2024	The Hongkong and Shanghai Banking Corporation Limited	18
				<u>18</u>
<u>Liabilities:</u>				
USD15,865	TWD487,509	02 January 2024	The Hongkong and Shanghai Banking Corporation Limited	(20)
				<u>(20)</u>

**FSSA China All Cap Fund**  
**Statement of Net Assets (Unaudited)**  
**As at 31 December 2023**

	<b>(Unaudited)</b> <b>31 December</b> <b>2023</b> <b>US\$</b>	<b>(Audited)</b> <b>30 June</b> <b>2023</b> <b>US\$</b>
<b>Assets</b>		
Investments	6,800,628	7,830,034
Derivative financial instruments	18	2
Interest receivable	11	6
Dividend receivable	5,480	32,657
Amounts receivable on sale of investments	31,455	13,410
Amounts receivable on management fee rebate	48,390	25,235
Cash and cash equivalents	120,801	136,804
	<u>7,006,783</u>	<u>8,038,148</u>
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<b>Liabilities</b>		
Derivative financial instruments	20	1
Amounts payable to brokers	27,584	36,552
Amounts payable on redemption	53,132	53,132
Accounts payable and accrued expenses	128,833	116,510
	<u>209,569</u>	<u>206,195</u>
	-----	-----
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<b>209,569</b>	<b>206,195</b>
	<u>-----</u>	<u>-----</u>
<b>Net assets attributable to unitholders</b>	<b>6,797,214</b>	<b>7,831,953</b>
	<u>-----</u>	<u>-----</u>
<b>Number of units in issue</b>		
- Class I (USD)	104,806.83	114,464.75
- Class II (USD)	30,646.25	31,294.15
- Class III (USD)	267,959.27	267,959.27
	<u>-----</u>	<u>-----</u>
<b>Net assets attributable to unitholders per unit</b>		
- Class I (USD)	7.39	8.36
- Class II (USD)	100.75	113.91
- Class III (USD)	10.95	12.35
	<u>-----</u>	<u>-----</u>

Note: Semi-annual report of the sub-fund has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements.

**FSSA China All Cap Fund**  
**Statement of Comprehensive Income (Unaudited)**  
**For the period ended 31 December 2023**

	(Unaudited) For the period from 1st July 2023 to 31st December 2023 US\$	(Unaudited) For the period from 1st July 2022 to 31st December 2022 US\$
<b>Income</b>		
Interest on bank deposits	844	918
Dividend on investments	61,195	56,593
Net losses on investments and derivative financial instruments	(888,286)	(453,437)
Management fee rebate	44,061	14,387
Exchange gains/(losses)	149	(1,893)
<b>Total net loss</b>	<u>(782,037)</u>	<u>(383,432)</u>
<b>Expenses</b>		
Management fee <sup>Note 2</sup>	47,298	53,692
Trustee's fee <sup>Note 1</sup>	3,832	4,096
Administration fee <sup>Note 1</sup>	6,019	5,733
Auditor's remuneration	31,850	2,370
Legal and professional fees	1,432	3,496
Transaction costs <sup>Note 2</sup>	2,701	3,928
Safe custody and bank charges <sup>Note 1</sup>	64	99
Interest expenses	2	-
Other operating expenses <sup>Note 1</sup>	10,283	9,228
<b>Total operating expenses</b>	<u>103,481</u>	<u>82,642</u>
<b>Loss before tax</b>	(885,518)	(466,074)
Withholding tax	(3,541)	(3,876)
<b>Decrease in net assets attributable to unitholders from operations</b>	<u><u>(889,059)</u></u>	<u><u>(469,950)</u></u>

**FSSA China All Cap Fund**  
**Statement of Comprehensive Income (Unaudited) (continued)**  
**For the period ended 31 December 2023**

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Note 1 During the period ended 31 December 2023 and 2022, other than trustee's fee, administration fee and safe custody and bank charges paid to the Trustee or its Connected Persons, other respective amounts paid to the Trustee or its Connected Persons were as follows:

	<b>(Unaudited)</b> <b>For the period from</b> <b>1st July 2023 to</b> <b>31st December 2023</b> <b>US\$</b>	<b>(Unaudited)</b> <b>For the period from</b> <b>1st July 2022 to</b> <b>31st December 2022</b> <b>US\$</b>
Other operating expenses	9,699	8,337

Note 2 During the period ended 31 December 2023 and 2022, other than Management fee paid to the Manager, other respective amounts paid to the Manager or its Connected Persons were as follows:

	<b>(Unaudited)</b> <b>For the period from</b> <b>1st July 2022 to</b> <b>31st December 2023</b> <b>US\$</b>	<b>(Unaudited)</b> <b>For the period from</b> <b>1st July 2022 to</b> <b>31st December 2022</b> <b>US\$</b>
Transaction costs	-	7

**FSSA China All Cap Fund**  
**Statement of Changes in Net Assets Attributable to Unitholders (Unaudited)**  
**For the period ended 31 December 2023**

	(Unaudited) For the period from 1st July 2023 to 31st December 2023 US\$	(Unaudited) For the period from 1st July 2022 to 31st December 2022 US\$
<b>Net assets attributable to unitholders at 1 July</b>	7,831,953	9,428,194
Allotment of units	1,218	127,318
Redemption of units	(146,898)	(38,061)
Decrease in net assets attributable to unitholders from operations	(889,059)	(469,950)
<b>Net assets attributable to unitholders at 31 December</b>	<u>6,797,214</u>	<u>9,047,501</u>
	(Unaudited) For the period from 1st July 2023 to 31st December 2023 Units	(Unaudited) For the period from 1st July 2022 to 31st December 2022 Units
<b>Class I (USD)</b>		
Balance at the beginning of the period	114,464.75	108,249.77
Allotment of units	158.19	13,013.97
Redemption of units	(9,816.11)	(2,006.45)
Balance at the end of the period	<u>104,806.83</u>	<u>119,257.29</u>
<b>Class II (USD)</b>		
Balance at the beginning of the period	31,294.15	31,863.53
Allotment of units	-	-
Redemption of units	(647.90)	(197.32)
Balance at the end of the period	<u>30,646.25</u>	<u>31,666.21</u>
<b>Class III (USD)</b>		
Balance at the beginning of the period	267,959.27	267,959.27
Allotment of units	-	-
Redemption of units	-	-
Balance at the end of the period	<u>267,959.27</u>	<u>267,959.27</u>

**FSSA China All Cap Fund**  
**Cash Flow Statement (Unaudited)**  
**For the period ended 31 December 2023**

	(Unaudited) For the period from 1st July 2023 to 31st December 2023 US\$	(Unaudited) For the period from 1st July 2022 to 31st December 2022 US\$
<b>Cash flows from operating activities</b>		
Payments on purchase of investments and derivative financial instruments	(849,784)	(1,197,799)
Proceeds from sale of investments and derivative financial instruments	963,893	1,087,847
Interest received	839	911
Dividend received	84,831	99,655
Management fee rebate received	20,906	21,438
Management fee paid	(26,784)	(61,022)
Trustee's fee paid	(4,007)	(4,804)
Administration fee paid	(6,000)	(7,000)
Auditor's remuneration paid	(37,986)	(22,178)
Transaction costs paid	(2,701)	(3,928)
Interest paid	(2)	-
Other operating expenses paid	(13,677)	(19,507)
<b>Net cash generated from/(used in) operating activities</b>	<b>129,528</b>	<b>(106,387)</b>
<b>Cash flows from financing activities</b>		
Allotment of units	1,218	127,318
Redemption of units	(146,898)	(61,199)
<b>Net cash (used in)/generated from financing activities</b>	<b>(145,680)</b>	<b>66,119</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(16,152)</b>	<b>(40,268)</b>
Effect of foreign exchange rate changes	149	(1,893)
Cash and cash equivalents at the beginning of the period	136,804	242,734
<b>Cash and cash equivalents at the end of the period</b>	<b>120,801</b>	<b>200,573</b>
<b>Analysis of balance of cash and cash equivalents</b>		
Cash at banks	120,801	200,573

**FSSA China All Cap Fund**  
**General Information**  
**For the period ended 31 December 2023**

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Manager	First Sentier Investors (Hong Kong) Limited 25th Floor, One Exchange Square 8 Connaught Place Central Hong Kong
Directors of the Manager	Michael David Stapleton Lucinda Kate Dowling Chung Piau Chia Lauren Prendiville
Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited 1 Queen's Road Central Hong Kong
Auditor	Deloitte Touche Tohmatsu 35/F, One Pacific Place 88 Queensway Hong Kong
Legal Advisor to the Manager	Deacons 5th Floor Alexandra House 18 Charter Road Central Hong Kong



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