

ANNUAL REPORT

E FUND (HK) CHINA EQUITY DIVIDEND FUND

(A Sub-Fund of E Fund Selection Investment Series, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

Year ended 31 December 2019

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

CONTENTS

	Pages
ADMINISTRATION AND MANAGEMENT	1
REPORT OF THE MANAGER TO THE UNITHOLDERS	2
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	3
INDEPENDENT AUDITOR'S REPORT	4 - 6
AUDITED FINANCIAL STATEMENTS	
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in net assets attributable to unitholders	9
Statement of cash flows	10
Notes to the financial statements	11 - 33
INVESTMENT PORTFOLIO (UNAUDITED)	34
STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)	35 - 38
PERFORMANCE TABLE (UNAUDITED)	39 - 40

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

ADMINISTRATION AND MANAGEMENT

MANAGER AND RQFII HOLDER

E Fund Management (Hong Kong) Co., Limited
Suites 3501-02, 35/F
Two International Finance Centre
8 Finance Street
Central, Hong Kong

DIRECTORS OF THE MANAGER

LIU Xiaoyan
MA Jun
HUANG Gaohui
CHEN Rong
CHEN Liyuan

RQFII CUSTODIAN

China Construction Bank Corporation
No. 25, Financial Street
Xicheng District
Beijing, China

SOLICITORS TO THE MANAGER

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

TRUSTEE

ICBC (Asia) Trustee Company Limited
33/F, ICBC Tower
3 Garden Road
Central, Hong Kong

CUSTODIAN

Industrial and Commercial Bank of China (Asia) Limited
33/F, ICBC Tower
3 Garden Road
Central, Hong Kong

REGISTRAR AND TRANSFER AGENT

ICBC (Asia) Trustee Company Limited
(Effective from 19 June 2018)
33/F, ICBC Tower
3 Garden Road
Central, Hong Kong

AUDITOR

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

E Fund (HK) China Equity Dividend Fund (the "Sub-Fund") is a Sub-Fund of E Fund Selection Investment Series. The inception day of the Sub-Fund was on 25 October 2015. The manager of E Fund (HK) China Equity Dividend Fund is E Fund Management (Hong Kong) Co., Ltd. and the trustee is ICBC (Asia) Trustee Company Limited.

Fund Performance

The Sub-Fund seeks to achieve long-term capital appreciation primarily through equity-based investments in equity and equity-related securities of companies which are incorporated in, have their area of primary activity in or are related to the growth of China's economy and are expected to achieve high dividend returns. As of 31 December 2019, the Net Asset Value per unit of E Fund (HK) China Equity Dividend Fund for HKD Class A (distribution) was HKD 154.53, HKD Class I (Distribution) was HKD 155.21, and HKD Class I (accumulation) was HKD 158.79. The total size of the fund was approximately HKD 166 million.

As of 31 December 2019, a summary of the performance of the Sub-Fund is given below.

Cumulative Performance in HKD*

	Since Launch ¹	YTD	1 Month	3 Month	6 Month	1 Year
HKD Class A (Acc)	17.0%	14.3%	5.0%	7.9%	3.2%	14.3%
HKD Class A (Dis)	64.6%	13.4%	4.5%	7.4%	2.4%	13.4%
HKD Class I (Acc) ^{***}	55.4%	14.6%	5.0%	7.9%	3.4%	14.6%
HKD Class I (Dis)	65.3%	13.7%	4.6%	7.5%	2.6%	13.7%
USD Class A (Acc)				N/A ²		

Source: Bloomberg

*NAV-to-NAV return, total return with dividend (if any) reinvested

¹The total return for the period from its inception date

^{***}Original HKD Class I (Acc) launch date was 19 November 2015. Class was fully redeemed on October 2018 then relaunched on 20 November 2018. Performance data inception from 20 November 2018.

² USD Class A (Acc) was launched on 29 August 2019, the performance data is not available.

Note: Past performance information is not indicative of future performance. Investors may not get back the full amount invested. The computation basis of the performance is based on the calendar year /period end, NAV-To-NAV, with dividend reinvested. These figures show by how much the Fund increased or decreased in value during the calendar year/period being shown. Performance data has been calculated in RMB/HKD, including ongoing charges and excluding subscription fee and redemption fee you might have to pay. Where no past performance is shown there was insufficient data available in that year /period to provide performance. Fund launch date: HKD Class A (Dis): 2015; HKD Class A (Acc): 2018; HKD Class I (Dis): 2015; HKD Class I(Acc): 2015; USD Class A (Acc): 2019

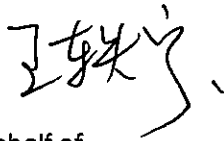
The top 5 holdings are as below.

Top 5 Holdings (% of Total NAV)	
AIA Group Ltd	6.41%
Metituan Dianping	6.14%
Gree Electric Appliances Inc Of Zhuhai - A	5.93%
Alibaba Group Holding Ltd	5.48%
Tencent Holdings Ltd	5.43%

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager, E Fund Management (Hong Kong) Co., Limited has, in all material aspects, managed E Fund (HK) China Equity Dividend Fund for the year ended 31 December 2019 in accordance with the provisions of the Trust Deed dated 14 August 2014, as amended by the first supplemental deed dated 27 October 2014, the second supplemental deed dated 13 March 2015, the third supplemental deed dated 13 March 2015, the fourth supplemental deed dated 20 April 2015, the fifth supplemental deed dated 8 July 2015, the sixth supplemental deed dated 26 October 2016, the seventh supplemental deed dated 26 October 2016 and eighth supplemental deed dated 30 June 2017, the ninth supplemental deed dated 13 July 2018, the tenth supplemental deed dated 14 November 2018 and the eleventh supplemental deed dated 31 December 2019.



For and on behalf of
ICBC (Asia) Trustee Company Limited
28 April 2020

INDEPENDENT AUDITOR'S REPORT

To the unitholders of
E Fund (HK) China Equity Dividend Fund
(A Sub-Fund of E Fund Selection Investment Series, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

Opinion

We have audited the financial statements of E Fund (HK) China Equity Dividend Fund (a Sub-Fund of E Fund Selection Investment Series and referred to as the "Sub-Fund") set out on pages 7 to 33, which comprise the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for opinion

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (continued)

To the unitholders of

E Fund (HK) China Equity Dividend Fund

(A Sub-Fund of E Fund Selection Investment Series, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

Responsibilities of Manager and Trustee for the financial statements

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

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

In addition, the Manager and the Trustee of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 14 August 2014 and as amended and supplemented from time to time. (the "Trust Deeds") and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds ("the SFC Code") issued by the Hong Kong Securities and Futures Commission.

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT (continued)

To the unitholders of
E Fund (HK) China Equity Dividend Fund
(A Sub-Fund of E Fund Selection Investment Series, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

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

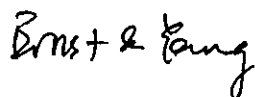
As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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



Certified Public Accountants
Hong Kong
28 April 2020

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	2019 HKD	2018 HKD
INCOME			
Dividend income		1,643,780	1,236,762
Interest income on bank deposits	10	16,908	14,058
Net gains on financial assets at fair value through profit or loss	6	12,758,638	4,633,429
Foreign exchange differences		(23,834)	(471,793)
		<u>14,395,492</u>	<u>5,412,456</u>
EXPENSES			
Management fees	4	(2,135,054)	(1,267,891)
Administration expenses		(59,969)	-
Trustee and custodian fees	4	(417,230)	(424,242)
Auditor's remuneration		(247,675)	(247,025)
Brokerage fees and other transaction costs		(1,646,868)	(1,361,085)
Other expenses		(278,917)	(177,224)
		<u>(4,785,713)</u>	<u>(3,477,467)</u>
OPERATING PROFIT		<u>9,609,779</u>	<u>1,934,989</u>
Distributions to unitholders		<u>(3,167,400)</u>	<u>(1,653,452)</u>
PROFIT BEFORE TAX		6,442,379	281,537
Withholding taxes	5	<u>(83,607)</u>	<u>(14,774)</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>6,358,772</u>	<u>266,763</u>

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

STATEMENT OF FINANCIAL POSITION

31 December 2019

	Notes	2019 HKD	2018 HKD
ASSETS			
Financial assets at fair value through profit or loss	6	169,156,993	55,695,947
Dividend and interest receivable		5	75,009
Subscription receivable		1,562,982	-
Cash at banks	7	4,077,179	22,920,561
TOTAL ASSETS		<u>174,797,159</u>	<u>78,691,517</u>
LIABILITIES			
Management fees payable	4	236,202	90,413
Trustee fees payable	4	40,660	24,709
Redemption payable		8,261,541	-
Redemption fee payable		205	205
Other payables		409,531	247,867
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>8,948,139</u>	<u>363,194</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	8	165,849,020	78,328,323
TOTAL LIABILITIES		<u>174,797,159</u>	<u>78,691,517</u>
NUMBER OF UNITS IN ISSUE			
Class A (distribution)		137,690.91	9,503.41
Class A (accumulation) (HKD)		388,160.64	3,457.34
Class A (accumulation) (USD)		47,290.31	-
Class I (distribution)		308,533.95	328,478.71
Class I (accumulation)		<u>292,966.31</u>	<u>212,603.38</u>
NET ASSET VALUE PER UNIT			
Class A (distribution)		154.53	142.64
Class A (accumulation) (HKD)		119.14	104.99
Class A (accumulation) (USD)		10.62	-
Class I (distribution)		155.21	142.92
Class I (accumulation)		<u>158.79</u>	<u>139.51</u>

For and on behalf of
E FUND MANAGEMENT (HONG KONG) CO., LIMITED
易方達資產管理(香港)有限公司

Authorized Signature(s)

王軼寧

Manager

Trustee

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Year ended 31 December 2019

	Note	Class A (distribution) HKD	Class A (accumulation) (HKD) HKD	Class A (accumulation) (USD) HKD	Class I (distribution) HKD	Class I (accumulation) HKD	Total HKD
At 1 January 2018							
Subscription of units	8	1,868,419	250,000	-	76,100,481	1,441,840	79,660,740
Redemption of units	8	43,374	2,530,000	-	-	34,349,713	36,923,087
		(610,159)	(2,323,981)	-	(29,965,053)	(5,623,074)	(38,522,267)
Increase/(decrease) in net assets attributable to unitholders during the year		53,937	(93,019)	-	812,822	(506,977)	266,763
At 31 December 2018 and 1 January 2019		1,355,571	363,000	-	46,948,250	29,661,502	78,328,323
Subscription of units	8	31,581,714	64,720,107	4,020,594	-	12,731,830	113,054,245
Redemption of units	8	(10,582,118)	(18,107,136)	(225,710)	(2,977,354)	-	(31,892,320)
Increase/(decrease) in net assets attributable to unitholders during the year		(1,077,401)	(729,447)	119,213	3,917,784	4,128,623	6,358,772
At 31 December 2019		21,277,766	46,246,522	3,914,097	47,888,680	46,521,955	165,849,020
At 1 January 2018		Unit	Unit	Unit	Unit	Unit	
Subscription of units		13,204.08	2,500.00	-	538,350.33	10,000.00	
Redemption of units		295.55	23,282.47	-	-	243,335.53	
		(3,996.22)	(22,325.13)	-	(209,871.62)	(40,732.15)	
At 31 December 2018 and 1 January 2019		9,503.41	3,457.34	-	328,478.71	212,603.38	
Subscription of units		198,282.83	539,804.49	50,144.79	-	80,362.93	
Redemption of units		(70,131.96)	(155,101.19)	(2,854.48)	(19,944.76)	-	
Dividend Reinvest		36.63	-	-	-	-	
At 31 December 2019		137,690.91	388,160.64	47,290.31	308,533.95	292,966.31	

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

STATEMENT OF CASH FLOWS

Year ended 31 December 2019

	Notes	2019 HKD	2018 HKD
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		6,442,379	281,537
Adjustments for:			
Dividend income		(1,643,780)	(1,236,762)
Interest income on bank deposits		(16,908)	(14,058)
Distribution expense		3,167,400	1,653,452
Working capital adjustments:			
(Increase) / decrease in financial assets at fair value through profit or loss		(113,461,046)	17,666,629
Increase in deposit reserve		-	2,557
Increase in management fees payable		145,789	(99,847)
Increase in trustee fees payable		15,951	(279)
Increase in other payables		161,664	188,864
Cash flows (used in)/ generated from operations		(105,188,551)	18,442,093
Dividend, net of tax		1,635,173	1,164,774
Interest received		16,912	14,323
Net cash flows (used in)/ generated from operating activities		(103,536,466)	19,621,190
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of units		111,491,263	37,173,087
Payments from redemption of units		(23,630,779)	(38,522,062)
Dividend distribution		(3,167,400)	(1,653,452)
Net cash flows generated from/ (used in) financing activities		84,693,084	(3,002,427)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(18,843,382)	16,618,763
Cash and cash equivalents at beginning of the year		22,920,561	6,301,798
CASH AND CASH EQUIVALENTS AT YEAR END	7	<u>4,077,179</u>	<u>22,920,561</u>
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS			
Cash at banks		<u>4,077,179</u>	<u>22,920,561</u>

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

1. THE FUND AND THE SUB-FUND

E Fund Selection Investment Series (the "Fund") was constituted as an open-ended unit trust established as an umbrella fund under the laws of Hong Kong pursuant to a trust deed dated 14 August 2014 and as amended and supplemented from time to time. E Fund (HK) China Equity Dividend Fund (the "Sub-Fund") is a Sub-Fund under the Fund.

The manager of the Fund is E Fund Management (Hong Kong) Co., Limited (the "Manager") and the Trustee is ICBC (Asia) Trustee Company Limited (the "Trustee"). The custodian is Industrial and Commercial Bank of China (Asia) Limited (the "Custodian") and the Renminbi Qualified Foreign Institutional Investors (the "RQFII") custodian is China Construction Bank Corporation (the "RQFII Custodian").

The Fund and the Sub-Fund have been authorised by the Securities and Futures Commission of Hong Kong (the "SFC") under section 104(1) of the Hong Kong Securities and Futures Ordinance and are required to comply with the SFC Code. Authorisation by the SFC does not imply official approval or recommendation. The Sub-Fund was launched on 25 October 2015. As at 31 December 2019, the Fund has two Sub-Funds namely E Fund (HK) Select Bond Fund and E Fund (HK) China Equity Dividend Fund (the "Sub-Funds"), in respect of which separate class of unit was issued.

The investment objective of the Sub-Fund is to achieve long-term capital appreciation primarily through equity-based investments in equity and equity-related securities of companies which are incorporated in, have their area of primary activity in or are related to the growth of China's economy and are expected to achieve high dividend returns.

2.1 BASIS OF PREPARATION

The financial statements of the Sub-Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by HKICPA, accounting principles generally accepted in Hong Kong and the relevant disclosure provisions of the Trust Deeds and the relevant disclosure provisions specified in Appendix E to the SFC Code.

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

Certain prior year balances are reclassified to conform with current year presentation. There is no changes in the net asset attributable to the unitholders as at 31 December 2018.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Sub-Fund applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2019.

HK(IFRIC)-Int 23

Uncertainty over Income Tax Treatments

The nature and the impact of each new standard and amendment is described below:

HK(IFRIC)-Int 23 Uncertainty over Income Tax Treatments

HK(IFRIC)-Int 23 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of HKAS 12 and does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following: (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation has had no impact on the financial position or performance of the Sub-Fund.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Sub-Fund has not applied the following new and revised HKFRSs that has been issued but is not yet effective in these financial statements.

*Amendments to HKAS 1 and HKAS 8 Definition of Material*¹

¹ Effective for annual periods beginning on or after 1 January 2020

Amendments to HKAS 1 and HKAS 8 Definition of Material

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude

of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. Effective for annual periods beginning on or after 1 January 2019. The Sub-Fund expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Sub-Fund's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(i) *Classification - HKFRS 9*

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

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

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

Financial assets

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

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

Financial assets measured at amortised cost

Financial assets are measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Sub-Fund includes in this short-term non-financing receivables including cash at banks, deposit reserve, subscription receivable and dividend and interest receivables.

Financial assets measured at FVPL

A financial asset is measured at FVPL if:

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) *Classification* - HKFRS 9

Financial assets (continued)

Financial assets measured at FVPL (continued)

The Sub-Fund includes in this category:

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

Financial liabilities

Financial liabilities measured at FVPL

A financial liability is measured at FVPL if it meets the definition of held for trading. The Sub-Fund doesn't hold any financial liability measured at FVPL.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at FVPL. The Sub-Fund includes in this category short-term payables.

(ii) *Recognition*

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

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

(iii) *Initial measurement*

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

Loans and receivables and financial liabilities (other than those classified as held for trading) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iv) *Subsequent measurement*

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

Loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(v) *Derecognition*

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

- the Sub-Fund has transferred substantially all the risks and rewards of the asset, or
- the Sub-Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(v) Derecognition (continued)

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

Determination of fair value

The Sub-Fund measures its financial assets at FVPL at fair value at each reporting date.

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

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Sub-Fund.

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

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations, without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques, such as recent arm's length market transactions, quotes from brokers and market makers, deemed to be appropriate in the circumstances.

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

Policy effective from 1 January 2018 (HKFRS 9)

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

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

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

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Functional and presentation currency

The Sub-Fund's functional currency is HKD, which is the currency of the primary economic environment in which it operates. The Sub-Fund's performance is evaluated and its liquidity is managed in HKD. Therefore, the HKD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Sub-Fund's presentation currency is also HKD.

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Foreign currency transaction gains and losses on financial instruments classified as at FVPL are included in profit or loss as part of the 'net gains or losses on financial assets at FVPL. Exchange differences on other financial instruments are included in profit or loss as foreign exchange differences.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Redeemable units

The Sub-Fund issues redeemable units, namely Class A (distribution) units, Class A (accumulation) (HKD) units, Class A (accumulation) (USD) units, Class I (distribution) units and Class I (accumulation) units, which are redeemable at the unitholder's option and are classified as financial liabilities.

Redeemable participating shares are redeemable at the unitholder's option and are classified as financial liabilities as they do not meet the conditions to be classified as equity. Redeemable participating shares are measured at the redemption amount.

Distributions to unitholders

Distributions to unitholders are recognised as a liability in the period in which it is approved by the Manager.

Cash at banks

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks as defined above, net of outstanding bank overdrafts when appropriate.

Interest income

Interest income is recognised in profit or loss for all interest-bearing financial instruments using the effective interest method.

Dividend income

Dividend income is recognised on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted when the Sub-Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in profit or loss.

Net gains or losses on financial assets at FVPL

This item includes changes in the fair value of financial assets held for trading and excludes interest and dividend income.

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

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

Withholding taxes

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment income in profit or loss.

For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amounts due to and due from brokers

Amounts due to broker is payable for securities purchased (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to the accounting policy for financial liabilities, other than those classified as at FVPL, for recognition and measurement.

Amounts due from brokers include receivables for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to the accounting policy for loans and receivables for recognition and measurement.

Related parties

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Sub-Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts and the accompanying disclosures recognised in the financial statements. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in future.

Judgements

In the process of applying the Sub-Fund's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Going concern

The management has made an assessment of the Sub-Fund ability to continue as a going concern and is satisfied that the Sub-Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Sub-Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Taxation

In preparing these financial statements, the Manager of the Sub-Fund has made certain assumptions and used various estimates concerning the tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

4. FEES

Management fees

The Manager is entitled to receive management fees from the Sub-Fund, at a rate of 1.8% (up to maximum of 3%) per annum for Class A (accumulation) units and Class A (distribution) units, and 1.5% (up to maximum of 3%) per annum for Class I (accumulation) units and Class I (distribution) units with respect to the net asset value of the Sub-Fund calculated and accrued on each dealing day and are paid monthly in arrears.

Management fees for the year ended 31 December 2019 were HKD2,135,054 (2018: HKD1,267,891). As at 31 December 2019, management fees of HKD236,202 (2018: HKD90,413) were payable to the Manager.

Trustee, custodian and RQFII custodian fees

The Trustee is entitled to receive trustee fees and transaction handling fees from the Sub-Fund, at current rates 0.11% (up to maximum of 1%) per annum based on the net asset value.

The Custodian and the RQFII Custodian are entitled to receive custodian fees from the Sub-Fund, at a rate up to 0.08% per annum, calculated monthly and is paid monthly in arrears.

Trustee fees, custodian and the RQFII custodian fees are collectively subject to a minimum monthly fee of HKD40,000.

Trustee and custodian fees for the year ended 31 December 2019 were HKD417,230 (2018: HKD424,242). Transaction handling fees were HKD75,480 (2018: HKD53,320). As at 31 December 2019, trustee fees of HKD40,660 (2018: HKD24,709) were payable to the Trustee. There were no custodian fees (2018:nil) and transaction handling fees HKD11,160 (2018: HKD14,440) were outstanding as at 31 December 2019.

During the years ended 31 December 2019 and 2018, there were no custodian and RQFII custodian fees are charged to the Sub-Fund.

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

5. WITHHOLDING TAXES

Hong Kong tax

The Sub-Fund is exempt from Hong Kong profits tax under section 26A (1A) of the Hong Kong Inland Revenue Ordinance.

PRC tax

Under PRC laws and regulations, foreign investors (such as the Sub-Fund) may be subject to a 10% withholding tax on income (such as dividend/interest) imposed on securities issued by PRC tax resident enterprises.

Capital gains tax

On 14 November 2014, Ministry of Finance of the PRC, PRC State Administration of Taxation and China Securities Regulatory Commission jointly issued Caishui [2014] 79 "the Notice on the issues of temporary exemption from the imposition of corporate income tax arising from gains from the transfer of equity investment assets such as PRC domestics stocks by QFII and RQFII" to clarify the PRC withholding income tax treatment with respect to gains derived by the Sub-Fund from the trading of equity investments.

The PRC income tax treatment should be governed by the general tax provisions of the Corporate Income Tax Law, which stipulates a 10% tax on a withholding basis for capital gains derived on disposal of PRC securities.

The Notice also states that RQFIIs without an establishment or a place of business in the PRC will be temporarily exempt from corporate income tax on gains derived from the trading of PRC securities effective from 17 November 2014.

There were no capital gains tax for the years ended 31 December 2019 and 2018.

Distribution tax

A 10% PRC withholding tax has been levied on dividend and accrued interest from PRC companies to foreign investors. As such, the Sub-Fund is subject to a distribution tax of 10%. There is no assurance that the rate of the distribution tax will not be changed by the PRC tax authorities in the future. There were withholding taxes amounting to HKD83,607 for the year ended 31 December 2019 (2018: HKD14,774).

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 HKD	2018 HKD
Financial assets at FVPL:		
- Listed equity securities	<u>169,156,993</u>	<u>55,656,947</u>

	2019 HKD	2018 HKD
Net gains on financial assets at FVPL:		
- Net realised gains	(316,857)	13,838,295
- Net change in unrealised (losses)/gains	<u>13,075,495</u>	<u>(9,204,866)</u>
	<u>12,758,638</u>	<u>4,633,429</u>

The fair value of financial assets traded in active markets are based on quoted market prices at the close of trading on the year end date. An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets measured at fair value at 31 December 2019 and 2018:

	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
As at 31 December 2019				
Financial assets at FVPL				
- Listed equity securities	<u>169,156,993</u>	<u>-</u>	<u>-</u>	<u>169,156,993</u>
As at 31 December 2018				
Financial assets at FVPL				
- Listed equity securities	<u>55,656,947</u>	<u>-</u>	<u>-</u>	<u>55,656,947</u>

There are no investments classified within Level 2 and Level 3 and no transfers between levels during the years ended 31 December 2019 and 2018.

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

7. CASH AT BANKS

	2019 HKD	2018 HKD
Cash at banks	<u>4,077,179</u>	<u>22,920,561</u>

The bank balances are held in interest bearing accounts with Industrial and Commercial Bank of China (Asia) Limited, an affiliate company of the Trustee, and China Construction Bank Corporation. The carrying amount of bank balances approximates to their fair value. At the end of the reporting period, the cash and bank balances of the Sub-Fund denominated in Renminbi ("RMB") amounted to HKD316,616 (2018:HKD8,576,187). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulationse and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Sub-Fund is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

8. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The consideration received or paid for units issued or re-purchased respectively is based on the value of the Sub-Fund's net asset value per unit at the date of the transaction. In accordance with the provisions of the Trust Deeds, Sub-Fund investment positions are valued based on the last traded market price or closing price for the purpose of determining the trading net asset value per unit for subscriptions and redemptions. The Sub-Fund's net asset value per unit is calculated by dividing the Sub-Fund's net assets with the total number of outstanding units.

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

8. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

Redeemable units can be issued and redeemed on each valuation day, i.e. every business day of the calendar year. The holders of redeemable units may subscribe or redeem the redeemable units on any business day by no later than 4:00p.m. (Hong Kong time) on the relevant business day. Both subscription and redemption prices are calculated by reference to the net asset value per unit of the relevant class as at the valuation day.

With a view to protecting the interests of all unitholders, the Manager may limit the number of units of any Sub-Fund redeemed on any redemption day to 10% of the total number of units of the relevant Sub-Fund in issue. In this event, the limitation will apply pro rata so that all unitholders of the relevant Sub-Fund who have validly requested to redeem units of the Sub-Fund on that redemption day will redeem the same proportion of such units of the Sub-Fund.

Capital management

The Sub-Fund's objectives for managing capital are to invest the capital in investments in order to achieve its investment objective while maintaining sufficient liquidity to meet the expenses of the Sub-Fund, and to meet redemption requests as they arise.

A reconciliation of the net assets attributable to unitholders as reported in the statement of financial position to the net assets attributable to unitholders determined for the purposes of processing unit subscriptions and redemptions is provided below:

	2019 HKD	2018 HKD
Published net assets attributable to unitholders (calculated in accordance with Sub-Fund's Trust Deeds)	165,849,020	78,297,237
Adjustment for establishment costs	-	(125,714)
Adjustment for China's non-business date on 31 Dec 2018	-	156,800
Net assets attributable to unitholders (calculated in accordance with HKFRSs)	<u>165,849,020</u>	<u>78,328,323</u>

In 2018, the published net asset value per unit issued is calculated in accordance with the explanatory memorandum of the Sub-Fund while the net asset value per unit as reported in the statement of financial position included audit adjustment for recognition of unrealised gains on financial assets from 28 December 2018 (last trade day for the Sub-Fund in 2018) to 31 December 2018 and all establishment costs incurred in profit or loss in the years ended 31 December 2018.

	31 December 2019	
	Unit price (per financial statements) HKD	Published unit price: HKD
Class A (distribution) units		
Net assets attributable to unitholders per unit	<u>154.53</u>	<u>154.53</u>
Class A (accumulation) (HKD) units		
Net assets attributable to unitholders per unit	<u>119.14</u>	<u>119.14</u>
Class A (accumulation) (USD) units		
Net assets attributable to unitholders per unit	<u>10.62</u>	<u>10.62</u>
Class I (distribution) units		
Net assets attributable to unitholders per unit	<u>155.21</u>	<u>155.21</u>
Class I (accumulation) units		
Net assets attributable to unitholders per unit	<u>158.79</u>	<u>158.79</u>

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

8. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

	31 December 2018	
	Unit price (per financial statements) HKD	Published unit price: HKD
Class A (distribution) units		
Net assets attributable to unitholders per unit	142.64	142.58
Class A (accumulation) units		
Net assets attributable to unitholders per unit	104.99	104.95
Class I (distribution) units		
Net assets attributable to unitholders per unit	142.92	142.86
Class I (accumulation) units		
Net assets attributable to unitholders per unit	139.51	139.46
	Distribution HKD	Distribution per unit HKD
<u>Distribution</u>		
Distribution declared by the Manager on		
- <u>Class A (distribution)</u>		
- 25 January 2019 (paid on 29 January 2019)	5,607	0.59
- 26 February 2019 (paid on 28 February 2019)	5,916	0.59
- 27 March 2019 (paid on 28 March 2019)	6,097	0.59
- 26 April 2019 (paid on 30 April 2019)	57,012	0.59
- 24 May 2019 (paid on 29 May 2019)	91,123	0.59
- 25 June 2019 (paid on 27 June 2019)	99,520	0.59
- 26 July 2019 (paid on 31 July 2019)	99,714	0.59
- 23 August 2019 (paid on 30 August 2019)	106,359	0.59
- 25 September 2019 (paid on 30 September 2019)	91,751	0.59
- 25 October 2019 (paid on 31 October 2019)	96,956	0.59
- 26 November 2019 (paid on 29 November 2019)	96,965	0.59
- 24 December 2019 (paid on 30 December 2019)	81,234	0.59
- <u>Class I (distribution)</u>		
- 25 January 2019 (paid on 29 January 2019)	197,087	0.60
- 26 February 2019 (paid on 28 February 2019)	197,087	0.60
- 27 March 2019 (paid on 28 March 2019)	197,087	0.60
- 26 April 2019 (paid on 30 April 2019)	197,087	0.60
- 24 May 2019 (paid on 29 May 2019)	197,087	0.60
- 25 June 2019 (paid on 27 June 2019)	197,087	0.60
- 26 July 2019 (paid on 31 July 2019)	197,087	0.60
- 23 August 2019 (paid on 30 August 2019)	197,087	0.60
- 25 September 2019 (paid on 30 September 2019)	197,087	0.60
- 25 October 2019 (paid on 31 October 2019)	185,121	0.60
- 26 November 2019 (paid on 29 November 2019)	185,121	0.60
- 24 December 2019 (paid on 30 December 2019)	185,121	0.60

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES

Investment in the Sub-Fund is subject to market fluctuations and other risks inherent in investing in securities and there can be no assurance that any appreciation in value will occur. The performance of the Sub-Fund will be affected by a number of risk factors, including the following:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market variables such as interest rates, foreign exchange rates and equity prices. The maximum risk resulting from financial instruments equals their fair value.

The Sub-Fund assumes market risk in trading activities. The Sub-Fund distinguishes market risk as price risk, interest rate risk and foreign exchange risk.

Price risk

The Sub-Fund's market price risk is managed through diversification of the investment portfolio as well as investing in securities with strong fundamentals. The Manager considers that the table below summarises the overall market exposures of the Sub-Fund and the impact of increases/decreases from the Sub-Fund's financial assets at FVPL on the Sub-Fund's net asset value as at 31 December 2019 and 2018. The analysis is based on the assumption that the underlying investments in listed equity securities increased/decreased by a reasonable possible shift, with all other variables held constant. However, this does not represent a prediction of the future movement in the corresponding key markets.

	Carrying value of financial assets at fair value through profit or loss HKD	% of net assets %	Estimated shift in underlying securities increase/ (decrease) %	Possible change in net asset value increase/ (decrease) HKD
31 December 2019				
Financial assets at FVPL	169,156,993	101.99	10(10)	16,915,699/ (16,915,699)
31 December 2018				
Financial assets at FVPL	55,695,947	71.11	14(14)	7,797,433/ (7,797,433)

Interest rate risk

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

The Sub-Fund has interest-bearing bank deposits. As the bank deposits are on demand, the Manager considers the movement in interest rates will not have significant cash flow impact on the net assets attributable to unitholders for the years ended 31 December 2019 and 2018 and therefore no sensitivity analysis on bank deposit is presented.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Sub-Fund holds assets and liabilities mainly denominated in HKD, the functional currency of the Sub-Fund. The Manager considers the Sub-Fund exposure to foreign exchange risk is minimal as the HKD are pegged to the USD. No currency risk sensitivity analysis was prepared as a result.

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Foreign exchange risk (continued)

The table below summarizes the Sub-Fund's exposure to RMB:

	2019 HKD equivalent	2018 HKD equivalent
RMB	34,424,046	12,365,584

The table below summarizes the impact on net assets attributable to unitholders as a result of increases/decreases of foreign exchange rates on the exposures tabled above, to which the Sub-Fund is exposed. The analysis is based on the assumption that the foreign exchange rates had increased/decreased by the respective percentage with all other variables held constant.

	2019		2018	
	Change in foreign exchange rates %	Impact HKD	Change in foreign exchange rates %	Impact HKD
	+/-	+/-	+/-	+/-
RMB	5.00	1,721,202	5.48	677,635

The Manager has used their view of what would be a "reasonable shift" in the foreign exchange rates, having regard to historical volatility of those rates, to estimate the change for use in the currency risk sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in foreign exchange rates % are revised annually depending on the Manager's current view of market volatility and other relevant factors.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

As at 31 December 2019 and 2018, the Sub-Fund's exposure to liquidity risk is considered to be relatively small as the investment portfolio was predominantly equity securities listed in stock exchanges which were considered to be highly liquid. Also, if sizable redemption requests are received, the Manager may need to liquidate the investment at a substantial discount and the Sub-Fund may suffer losses as a result.

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Liquidity risk (continued)

The following table summarises the maturity profile of the Sub-Fund's financial liabilities. The table also analyses the maturity profile of the Sub-Fund's financial assets (undiscounted where appropriate) in order to provide a complete view of the Sub-Fund's contractual commitments and liquidity.

31 December 2019	On demand	Less than 3 months	Others	Total
	HKD	HKD	HKD	HKD
Financial Assets				
Financial assets at fair value through profit or loss	-	169,156,993	-	169,156,993
Dividend and interest receivable	-	5	-	5
Subscription receivable	-	1,562,982	-	1,562,982
Cash at banks	4,077,179	-	-	4,077,179
Total financial assets	4,077,179	170,719,980	-	174,797,159
Financial Liabilities				
Management fees payable	-	236,202	-	236,202
Trustee fees payable	-	40,660	-	40,660
Redemption payable	-	8,261,541	-	8,261,541
Redemption fee payable	-	205	-	205
Other payables	-	409,531	-	409,531
Net assets attributable to unitholders*	-	-	165,849,020	165,849,020
Total financial liabilities	-	8,948,139	165,849,020	174,797,159
31 December 2018	On demand	Less than 3 months	Others	Total
	HKD	HKD	HKD	HKD
Financial Assets				
Financial assets at fair value through profit or loss	-	55,695,947	-	55,695,947
Dividend and interest receivable	-	75,009	-	75,009
Cash at banks	22,920,561	-	-	22,920,561
Total financial assets	22,920,561	55,770,956	-	78,691,517
Financial Liabilities				
Management fees payable	-	90,413	-	90,413
Trustee fees payable	-	24,709	-	24,709
Redemption fee payable	-	205	-	205
Other payables	-	247,867	-	247,867
Net assets attributable to unitholders*	-	-	78,328,323	78,328,323
Total financial liabilities	-	363,194	78,328,323	78,691,517

*Subject to redemption terms detailed in the explanatory memorandum of the Sub-Fund.

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Credit and counterparty risk

The Sub-Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Sub-Fund considered the credit risk as minimal as the Sub-Fund invests primarily in listed equities on stock exchanges which no credit risk was exposed.

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

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

Financial assets subject to HKFRS 9's impairment requirements

The Sub-Fund's financial assets subject to the ECL model within HKFRS 9 are only cash at banks, subscription receivable and dividend and interest receivable. As at 31 December 2019, the total of cash at banks, subscription receivable and dividend and interest receivable was HKD5,640,166 on which no loss allowance had been provided (2018: total of HKD22,995,570 on which no loss had been incurred). There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the year.

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

Maximum exposure and year-end staging as at 31 December 2019

The table below shows the credit quality and the maximum exposure to credit risk based on the Sub-Fund's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2019.

	12-month expected <u>credit losses</u>	Lifetime expected <u>credit losses</u>			
	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Simplified Approach HKD'000	Total HKD'000
Financial assets					
Dividend and interest receivable					
- Not yet past due	0	-	-	-	0
Subscription receivable					
- Not yet past due	1,563	-	-	-	1,563
Cash at banks					
- Not yet past due	4,077	-	-	-	4,077
Total	5,640	-	-	-	5,640

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Credit and counterparty risk (continued)

Financial assets subject to HKFRS 9's impairment requirements (continued)

Maximum exposure as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Sub-Fund's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018.

	12-month expected credit losses	Lifetime expected credit losses			
	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Simplified Approach HKD'000	Total HKD'000
<u>Financial assets</u>					
Dividend and interest					
Receivable					
- Not yet past due	75	-	-	-	75
Cash at banks					
- Not yet past due	22,921	-	-	-	22,921
Total	22,996	-	-	-	22,996

Financial assets not subject to HKFRS 9's impairment requirements

The Sub-Fund is exposed to credit risk on financial assets at FVPL. These classes of financial assets are not subject to HKFRS 9's impairment requirements as they are measured at FVPL. The carrying value of these assets, under both HKAS 39 (2017) and HKFRS 9 (2018) represents the Sub-Fund's maximum exposure to credit risk on financial instruments not subject to the HKFRS 9 impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of bank deposits and assets held with the Custodian and the RQFII Custodian. The table below summarises the Sub-Fund's assets placed with banks and the Custodians and their related credit ratings from Moody's:

<u>31 December 2019</u>	HKD	Credit rating	Source of credit rating
<u>Custodian</u>			
Industrial and Commercial Bank of China (Asia) Limited		A1	Moody's
- Financial assets at fair value through profit or loss	169,156,993		
- Cash at banks	4,021,599		
<u>RQFII Custodian</u>			
China Construction Bank Corporation		A1	Moody's
- Cash at banks	55,580		

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Credit and counterparty risk (continued)

Financial assets subject to HKFRS 9's impairment requirements (continued)

<u>31 December 2018</u>	HKD	Credit rating	Source of credit rating
<u>Custodian</u>			
Industrial and Commercial Bank of China (Asia) Limited		A1	Moody's
- Financial assets at fair value through profit or loss	55,695,947		
- Cash at banks	22,765,160		
<u>RQFII Custodian</u>			
China Construction Bank Corporation		A1	Moody's
- Cash at banks	155,401		

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

10. TRANSACTIONS WITH THE TRUSTEE AND MANAGER AND THEIR CONNECTED PERSONS

Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the year between the Sub-Fund and the Trustee, and the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with connected persons except for those disclosed in Note 4 to the financial statements and below.

Bank deposits and investments held by the affiliate companies of the Trustee

The Sub-Fund's bank deposits and investments were held by Industrial and Commercial Bank of China (Asia) Limited, an affiliate company of the Trustee, with interest income amounted to HKD16,701 (2018: HKD14,058). Further details of the balances held are described in Note 9 to the financial statements.

Holdings of units

As at 31 December 2019, GF Securities (Hong Kong) Brokerage Limited, the connected person of the Manager, holds 32,871.40 units of the Sub-Fund valued at a total of HKD3,916,389. (2018: 3,457.34 units of the Sub-Fund valued at a total of HKD362,986.13)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

11. SOFT COMMISSION ARRANGEMENTS

The Manager and its connected persons may enter into soft commission arrangements with brokers under which certain goods and services used to support investment decision making will be received. The Manager and its connected persons will not make direct payment for these services but will transact an agreed amount of business with the brokers on behalf of the Sub-Fund and commission will be paid on these transactions.

The goods and services must be of demonstrable benefit to the Sub-Fund and may include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis and data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications.

For the years ended 31 December 2019 and 2018, the Manager had not participated in any soft dollar arrangements in respect of any transactions for the accounts of the Sub-Fund.

12. EVENTS AFTER THE REPORTING PERIOD

During the period between the year end and the date of authorisation of these financial statements, total subsequent subscription(including dividend reinvestment), redemption and distribution of Class A (distribution) units of the Sub-Fund amounted to HKD1,347,251.16, HKD6,742,645.80 and HKD260,652.18 respectively. Total subsequent subscription and redemptions of Class A (accumulation) (HKD) units of the Sub-Fund amounted to HKD49,937,838.77 and HKD 46,930,550.44. Total subsequent subscription and redemptions of Class A (accumulation) (USD) units of the Sub-Fund amounted to USD1,805,232.29 and USD 962,689.00. Total subsequent redemptions of Class I (accumulation) units of the Sub-Fund amounted to HKD1,955,806.61. Total subsequent dividends of Class I (distribution) units of the Sub-Fund amounted to HKD802,188.28.

As at the end of the Reporting Period, a limited number of cases of an unknown virus had been reported to the World Health Organization. Following the subsequent spread of the virus globally, the World Health Organization declared the COVID-19 outbreak to be a pandemic on 11 March 2020. The identification of the virus after the end of the Reporting Period as a new coronavirus, and its subsequent global outbreak, is considered a non-adjusting subsequent event. At present it is not possible to assess the detailed impact, of this emerging risk, on the portfolios of the Sub-Fund but there is growing concern about the impact on the world economy and as a result of this uncertainty the values reflected in these financial statements may materially differ from the value received upon actual sales of those investments. In the light of significant corrections and heightened volatility in the financial markets over the past few weeks, the impact for the Sub-Fund might be important in terms of future valuations of its asset, nevertheless the Board of Directors and the Investment Manager continue to observe the efforts of governments to contain the spread of the virus in order to monitor and manage the economic impact on the portfolios and the Sub-Fund itself.

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(A Sub-Fund of E Fund Selection Investment Series)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

12. EVENTS AFTER THE REPORTING PERIOD (continued)

From 2 January 2020 to 24 April 2020, the published NAV movement of Class A (distribution) units, Class A (accumulation) (HKD) units, Class A (accumulation) (USD) units, Class I (distribution) units, Class I (accumulation) units are provided below:

	NAV per unit as at 2 January 2020	NAV per unit as at 24 April 2020	Variance
Class A (distribution) units	HKD157.13	HKD150.15	(4.44)%
Class A (accumulation) (HKD) units	HKD121.14	HKD117.75	(2.80)%
Class A (accumulation) (USD) units	USD10.80	USD10.56	(2.22)%
Class I (distribution) units	HKD157.82	HKD150.93	(4.37)%
Class I (accumulation) units	HKD161.46	HKD157.09	(2.71)%

This is considered to be a non-adjusting event after the reporting period.

In addition, there is no indication that the going concern assumption of the Sub-Fund is inappropriate. There have been no other significant events affecting the Fund since the year end.

13. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 28 April 2020.

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(a Sub-Fund of E Fund Selection Investment Series)

INVESTMENT PORTFOLIO (UNAUDITED)

As at 31 December 2019

<u>LISTED EQUITY SECURITIES</u>	Holding/ Nominal value	Fair value HKD	% of net assets on fair value
<i>China</i>			
AUTOBIO DIAGNOSTICS CO LTD	40,000	4,312,208	2.60
GREE ELECTRIC APPLIANCES INC OF ZHUHAI - A	134,000	9,829,445	5.93
JIANGSU HENGRUI MEDICINE CO LTD	40,000	3,915,796	2.36
KWEICHOW MOUTAI CO LTD - A	2,000	2,646,473	1.60
NANYANG TOPSEC TECHNOLOGIES GROUP INC	120,000	2,551,621	1.54
NAURA TECHNOLOGY GROUP CO LTD	30,000	2,952,954	1.78
SANGFOR TECHNOLOGIES INC	20,000	2,559,003	1.54
SANY HEAVY INDUSTRY CO LTD	280,000	5,339,925	3.22
<i>Hong Kong</i>			
AIA GROUP LTD	130,000	10,634,000	6.41
ASM PACIFIC TECHNOLOGY LIMITED	30,000	3,243,000	1.95
BEIGENE LTD	14,000	1,400,000	0.84
BOC AVIATION LTD	50,000	3,962,500	2.39
BRILLIANCE CHINA AUTOMOTIVE	320,000	2,585,600	1.56
BUDWEISER BREWING CO APAC LTD	150,000	3,945,000	2.38
CHINA EAST EDUCATION HOLDINGS LTD	200,000	3,264,000	1.97
CHINA MERCHANTS BANK CO LTD - H	160,000	6,408,000	3.86
COUNTRY GARDEN SERVICES HOLDINGS COMPANY LIMITED	170,000	4,462,500	2.69
ENN ENERGY HOLDINGS LIMITED	30,000	2,554,500	1.54
HANSOH PHARMACEUTICAL GROUP CO LTD	270,000	6,993,000	4.22
HONG KONG EXCHANGES & CLEARING LTD	23,000	5,819,000	3.51
MEITUAN DIANPING - CLASS B	100,000	10,190,000	6.14
MINTH GROUP LTD	120,000	3,300,000	1.99
PING AN INSURANCE (GROUP) COMPANY OF CHINA LTD - H	90,000	8,289,000	5.00
SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION	300,000	3,582,000	2.16
SHANDONG WEIGAO GROUP MEDICAL POLYMER CO LTD	468,000	4,371,120	2.64
SHENZHOU INTERNATIONAL GROUP HOLDINGS LTD	56,000	6,378,400	3.85
SUN ART RETAIL GROUP LTD	350,000	3,307,500	1.99
SUNNY OPTICAL TECH	39,000	5,261,100	3.17
TECHTRONIC INDUSTRIES COMPANY LTD	50,000	3,177,500	1.92
TENCENT HOLDINGS LTD	24,000	9,014,400	5.43
WUXI BIOLOGICS CAYMAN INC	70,000	6,905,500	4.16
<i>United States</i>			
ALIBABA GROUP HOLDING LTD	5,500	9,088,820	5.48
ZTO EXPRESS CAYMAN INC-ADR	38,000	6,913,128	4.17
Total listed equity securities		169,156,993	101.99
<u>TOTAL NET ASSETS</u>			
Total equity securities (Cost: HKD155,810,128)		169,156,993	101.99
Other net assets		(3,307,973)	-1.99
Total net assets		165,849,020	100.00

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(a Sub-Fund of E Fund Selection Investment Series)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

For the year ended 31 December 2019

<u>LISTED EQUITY SECURITIES</u>	At 1 January 2019	<u>Movement in holdings</u>		At 31 December 2019
		Additions	Disposals	
ACCELINK TECHNOLOGIES CO LTD	-	47,000	(47,000)	-
AIA GROUP LTD	-	168,000	(38,000)	130,000
AIER EYE HOSPITAL GROUP CO LTD	-	130,000	(130,000)	-
AIR CHINA LIMITED - H	-	300,000	(300,000)	-
ALIBABA GROUP HOLDING LTD	-	5,500	-	5,500
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD	-	620,000	(620,000)	-
ANHUI CONCH CEMENT CO LTD	-	100,000	(100,000)	-
ASM PACIFIC TECHNOLOGY LIMITED	-	30,000	-	30,000
AUSNUTRIA DAIRY CORP LTD	-	200,000	(200,000)	-
AUTOBIO DIAGNOSTICS CO LTD	-	40,000	-	40,000
BEIGENE LTD	-	14,000	-	14,000
BEIJING SHUNXIN AGRICULT - A	-	60,000	(60,000)	-
BOC AVIATION LTD	-	70,000	(20,000)	50,000
BRILLIANCE CHINA AUTOMOTIVE	-	320,000	-	320,000
BTG HOTELS GROUP CO LTD-A	-	199,924	(199,924)	-
BUDWEISER BREWING CO APAC LTD	-	150,000	-	150,000
BYD CO LTD	-	75,000	(75,000)	-
CHINA COMMUNICATIONS SERVICES CORP LTD	-	500,000	(500,000)	-
CHINA CONCH VENTURE HOLDINGS LTD	-	100,000	(100,000)	-
CHINA CONSTRUCTION BANK - H	-	1,200,000	(1,200,000)	-
CHINA EAST EDUCATION HOLDINGS LTD	-	200,000	-	200,000
CHINA EASTERN AIRLINES CORP LTD	-	500,000	(500,000)	-
CHINA INTERNATIONAL TRAVEL SERVICE CORP LTD - A	-	30,000	(30,000)	-
CHINA JINMAO HOLDINGS GROUP LIMITED	-	700,000	(700,000)	-
CHINA MENGNIU DAIRY CO	-	200,000	(200,000)	-
CHINA MERCHANTS BANK CO LTD - H	-	340,000	(180,000)	160,000
CHINA MOBILE LTD	40,000	90,000	(130,000)	-
CHINA OVERSEAS LAND & INVEST	-	130,000	(130,000)	-
CHINA RESOURCES BEER HOLDINGS CO LTD	-	160,000	(160,000)	-
CHINA RESOURCES LAND LTD	-	90,000	(90,000)	-
CHINA RESOURCES POWER HOLDING	230,000	-	(230,000)	-
CHINA TELECOM CORPORATION LTD - H	1,000,000	-	(1,000,000)	-
CHINA TOWER CORP LTD - H	-	5,700,000	(5,700,000)	-
CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LTD	-	1,600,000	(1,600,000)	-

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(a Sub-Fund of E Fund Selection Investment Series)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (continued)

For the year ended 31 December 2019

<u>LISTED EQUITY SECURITIES</u>	At 1 January 2019	<u>Movement in holdings</u>		At 31 December 2019
		Additions	Disposals	
CHINA YONGDA AUTOMOBILES SERVICES	-	700,000	(700,000)	-
CHINASOFT INTERNATIONAL LTD	-	550,000	(550,000)	-
CITIC TELECOM INTERNATIONAL HOLDINGS LTD	1,500,000	-	(1,500,000)	-
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD	-	50,000	(50,000)	-
COUNTRY GARDEN SERVICES HOLDINGS COMPANY LIMITED	-	170,000	-	170,000
ENN ENERGY HOLDINGS LIMITED	-	110,000	(80,000)	30,000
FUTURE LAND DEVELOPMENT HOLD	-	300,000	(300,000)	-
GALAXY ENTERTAINMENT GROUP LIMITED	-	70,000	(70,000)	-
GREE ELECTRIC APPLIANCES INC OF ZHUHAI - A	-	146,000	(12,000)	134,000
GUANGSHEN RAILWAY CO LTD	1,000,000	-	(1,000,000)	-
GUANGZHOU AUTOMOBILE GROUP COMPANY LIMITED-H	-	400,000	(400,000)	-
GUANGZHOU R&F PROPERTIES - H	-	250,000	(250,000)	-
HANG SENG INVESTMENT INDEX FUNDS SERIES - HANG SENG CEI ETF	35,000	-	(35,000)	-
HANSOH PHARMACEUTICAL GROUP CO LTD	-	270,000	-	270,000
HENGLI PETROCHEMICAL CO LTD	-	120,000	(120,000)	-
HKBN LTD	300,000	-	(300,000)	-
HKT TRUST & HKT LTD	-	330,000	(330,000)	-
HONG KONG & CHINA GAS CO LTD	-	240,000	(240,000)	-
HONG KONG EXCHANGES & CLEARING LTD	-	39,000	(16,000)	23,000
HUA HONG SEMICONDUCTOR LTD	-	280,000	(280,000)	-
HUNDSUN TECHNOLOGIES INC	-	51,949	(51,949)	-
INDUSTRIAL BANK CO LTD	-	330,000	(330,000)	-
INNER MONGOLIA YILI INDUSTRIAL GROUP CO LTD	-	160,000	(160,000)	-
INSUR INTERNATIONAL LTD	300,000	300,000	(600,000)	-
JIANGSU HENGLI HYDRAULIC CO LTD	-	55,000	(55,000)	-
JIANGSU HENGRUI MEDICINE CO LTD	-	40,000	-	40,000
JIANGSU HENGSHUN VINEGAR INDUSTRY CO LTD	320,000	-	(320,000)	-
KINGBOARD LAMINATES HOLDINGS LTD	-	400,000	(400,000)	-
KINGDEE INTERNATIONAL SFTWR	-	200,000	(200,000)	-
KUNLUN ENERGY CO LTD	500,000	-	(500,000)	-
KWEICHOW MOUTAI CO LTD - A	-	3,000	(1,000)	2,000
LEGENDHOLDINGS (HOK LISTING)	-	100,000	(100,000)	-

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(a Sub-Fund of E Fund Selection Investment Series)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (continued)

For the year ended 31 December 2019

<u>LISTED EQUITY SECURITIES</u>	At	<u>Movement in holdings</u>		At
	1 January 2019	Additions	Disposals	31 December 2019
LENOVO GROUP LTD	-	650,000	(650,000)	-
LINK REAL ESTATE INVESTMENT TRUST REIT	45,000	45,000	(90,000)	-
LONGFOR PROPERTIES	-	150,000	(150,000)	-
LUZHOU LAOJIAO CO LTD - A	-	60,000	(60,000)	-
MEITUAN DIANPING - CLASS B	-	100,000	-	100,000
MINTH GROUP LTD	-	120,000	-	120,000
NANYANG TOPSEC TECHNOLOGIES GROUP INC	-	120,000	-	120,000
NAURA TECHNOLOGY GROUP CO LTD	-	30,000	-	30,000
NISSIN FOODS CO LTD	-	560,000	(560,000)	-
PCCW LTD	800,000	-	(800,000)	-
PICC PROPERTY & CASUALTY CO LTD - H	-	450,000	(450,000)	-
PING AN BANK CO LTD	-	450,000	(450,000)	-
PING AN INSURANCE (GROUP) COMPANY OF CHINA LTD - H	-	122,000	(32,000)	90,000
QINGDAO TGOOD ELECTRIC CO LTD	-	160,000	(160,000)	-
SANGFOR TECHNOLOGIES INC	-	20,000	-	20,000
SANY HEAVY INDUSTRY CO LTD	-	280,000	-	280,000
SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION	-	300,000	-	300,000
SHANDONG GOLD MINING CO LTD	-	200,000	(200,000)	-
SHANDONG WEIGAO GROUP MEDICAL POLYMER CO LTD	-	468,000	-	468,000
SHANGHAI BAIRUN INVESTMENT HOLDING GROUP CO LTD - A	-	120,000	(120,000)	-
SHENNAN CIRCUITS CO LTD	-	14,000	(14,000)	-
SHENZHEN EXPRESSWAY CO LTD	500,000	-	(500,000)	-
SHENZHEN GOODIX TECHNOLOGY CO LTD	-	16,000	(16,000)	-
SHENZHOU INTERNATIONAL GROUP HOLDINGS LTD	-	70,000	(14,000)	56,000
SUN ART RETAIL GROUP LTD	-	350,000	-	350,000
SUNNY OPTICAL TECH	-	39,000	-	39,000
TECHTRONIC INDUSTRIES COMPANY LTD	-	90,000	(40,000)	50,000
TENCENT HOLDINGS LTD	-	30,000	(6,000)	24,000
TOPCHOICE MEDICAL INVESTMENT CORP	-	60,000	(60,000)	-
TRACKER FUND OF HONG KONG LTD	135,000	-	(135,000)	-
TSINGTAO BREWERY CO LTD - H	-	90,000	(90,000)	-
SHANDONG GOLD MINING CO LTD	-	-	-	-

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(a Sub-Fund of E Fund Selection Investment Series)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (continued)

For the year ended 31 December 2019

<u>LISTED EQUITY SECURITIES</u>	At	<u>Movement in holdings</u>		At
	1 January 2019	Additions	Disposals	31 December 2019
UNION MEDICAL HEALTHCARE LTD	-	500,000	(500,000)	-
WEICHAI POWER CO LTD-H	-	360,000	(360,000)	-
WENS FOODSTUFFS GROUP CO LTD - A	-	88,000	(88,000)	-
WULIANGYE YIBIN CO LTD - A	-	30,000	(30,000)	-
WUXI BIOLOGICS CAYMAN INC	-	70,000	-	70,000
XINYI SOLAR HOLDINGS LTD	-	800,000	(800,000)	-
ZHAOJIN MINING INDUSTRY - H	500,000	-	(500,000)	-
ZHEJIANG DINGLI MACHINERY CO LTD	-	49,960	(49,960)	-
ZHEJIANG EXPRESSWAY CO LTD	450,000	-	(450,000)	-
ZTO EXPRESS CAYMAN INC-ADR	-	62,000	(24,000)	38,000

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(a Sub-Fund of E Fund Selection Investment Series)

PERFORMANCE TABLE (UNAUDITED)

For the year ended 31 December 2019

Published net assets attributable to unitholders

(Calculated in accordance with the Sub-Fund's Trust Deeds)

	Net assets attributable to unitholders per unit	Net assets attributable to unitholders HKD
As at 31 December 2019		
- Class A (distribution) units	154.53	21,277,766
- Class A (accumulation) (HKD) units	119.14	46,246,522
- Class A (accumulation) (USD) units	10.62	3,914,097
- Class I (distribution) units	155.21	47,888,680
- Class I (accumulation) units	158.79	46,521,955
As at 31 December 2018		
- Class A (distribution) units	142.58	1,355,033
- Class A (accumulation) units	104.95	362,856
- Class I (distribution) units	142.86	46,929,618
- Class I (accumulation) units	139.46	29,649,730
As at 31 December 2017		
- Class A (distribution) units	141.94	1,874,303
- Class I (distribution) units	141.80	76,340,117
- Class I (accumulation) units	144.63	1,446,380
As at 31 December 2016		
- Class A (distribution) units	86.85	901,783
- Class I (distribution) units	86.50	51,632,536
- Class I (accumulation) units	88.23	882,330
As at 31 December 2015		
- Class A (distribution) units	99.20	595,203
- Class I (distribution) units	98.50	44,886,143
- Class I (accumulation) units	100.47	1,004,767

E FUND (HK) CHINA EQUITY DIVIDEND FUND
(a Sub-Fund of E Fund Selection Investment Series)

PERFORMANCE TABLE (UNAUDITED) (continued)

31 December 2019

Highest issue price and lowest redemption price per unit

	Highest issue unit price HKD	Lowest redemption unit price HKD
Year ended 31 December 2019		
- Class A (distribution) units	169.22	141.18
- Class A (accumulation) (HKD) units	125.96	103.92
- Class A (accumulation) (USD) units	10.62	9.77
- Class I (distribution) units	169.69	141.47
- Class I (accumulation) units	167.53	138.10
Year ended 31 December 2018		
- Class A (distribution) units	165.43	133.04
- Class A (accumulation) units	116.54	95.63
- Class I (distribution) units	165.48	133.24
- Class I (accumulation) units	168.79	136.20
Year ended 31 December 2017		
- Class A (distribution) units	144.28	86.94
- Class I (distribution) units	144.09	86.59
- Class I (accumulation) units	146.97	88.32
Year ended 31 December 2016		
- Class A (distribution) units	96.45	83.72
- Class I (distribution) units	95.78	83.25
- Class I (accumulation) units	97.69	84.91
Period from 25 October 2015 to 31 December 2015		
- Class A (distribution) units	101.27	95.94
- Class I (distribution) units	100.53	95.25
- Class I (accumulation) units	102.54	97.15

