

Annual Report

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds, an open-ended
unit trust established as an umbrella fund under the
laws of Hong Kong)

31 December 2021

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

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	9-10
Statement of cash flows	11
Notes to the financial statements	12 - 39
STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)	40 - 44
INVESTMENT PORTFOLIO (UNAUDITED)	45 - 47
PERFORMANCE TABLE (UNAUDITED)	48 - 49
INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)	50

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

ADMINISTRATION AND MANAGEMENT

MANAGER AND RQFII HOLDER

Taikang Asset Management (Hong Kong) Company Limited
39/F Bank of China Tower
1 Garden Road, Central
Hong Kong

TRUSTEE AND REGISTRAR

BOCI-Prudential Trustee Limited
Suites 1501-1507 & 1513-1516, 15/F
1111 King's Road
Taikoo Shing
Hong Kong

DIRECTORS OF THE MANAGER

Chen Yi Lun
Duan Guo Sheng
Feng Tie Liang
Xing Yi
Zhang Jing Guo
Zhang Le

AUDITOR

Ernst & Young
27/F, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

SOLICITORS TO THE MANAGER

King & Wood Mallesons
13/F Gloucester Tower, The Landmark,
15 Queen's Road Central
Central
Hong Kong

CUSTODIAN

Bank of China (Hong Kong) Limited
14/F, Bank of China Tower
1 Garden Road
Hong Kong

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
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REPORT OF THE MANAGER TO THE UNITHOLDERS

Regulatory tightening and credit risk of property developers have made the Chinese Equities hard to take a breather from the headwinds in 2021. In spite of that, Taikang Kaitai China New Opportunity Fund (Class I-HKD ACC) significantly outperformed MSCI China 10/40 index by 12.18%, registering a net loss of 7.51% in 2021. The outperformance mainly came from stock selection in IT, Consumer Discretionary, and Industrial sectors.

The Offshore Chinese market experienced a dramatic year. It reached the peak in February, thanks to the strong economic recovery from pandemic and corporate earnings results. The market then turned into a downward spiral because of the continuous regulatory crackdown and escalation of US-China tensions. As a result, internet related sectors were seriously hit.

In the second half of the year, investors are worried about the default risk of domestic real estate developers as the Evergrande crisis arose. Furthermore, combination of challenges including double reduction policy, regulatory crackdown on Didi, coupled with the deterioration of China-US relation, had knocked the confidence of the investors in the Offshore Chinese market. Hence, the offshore Chinese market underperformed global peers and ended 2021 at a loss. In terms of market performance by sector, utilities, energy and industries were the market leaders. In contrast, real estate, consumer discretionary and communication services were the worst performers.

Looking ahead, in a world of uncertainties, what is becoming more certain is that markets are likely to be more volatile after the breakout of Russia-Ukraine war. Unless China fails to maintain the neutral stance or it is deemed to help Russia dodge the sanctions to harm its diplomatic ties with the west, we tend to believe there might be a technical rebound after the selloff in the beginning of the year. In the medium term, as the fundamentals for most Chinese companies are less likely to be materially affected by the geopolitical risk in Europe, we still expect the mean reversion opportunity for Chinese equity markets after the oversold 2021 in the premise of attractive valuation and the Chinese government's determination to stabilize the economy.

For the time being, investors remain concerned about the timeliness and efficacy of domestic easing, particularly as the liquidity crunch continues to grip more debt-laden property developers. However, there have been some stronger signs to the market after the Financial Stability and Development Committee (FSDC) on March 16th. The government is expected to take substantial measures to shore up the economic growth. In addition, the Chinese and the US regulatory bodies have made positive progress and are working on a concrete cooperation plan on the regulation of US-listed Chinese firms. The government is expected to support various enterprises to seek listings in the overseas markets.

In terms of investment strategy, value stocks may outperform temporarily with accelerated sector rotation and the expectation of interest rate hikes in major global markets. As a result, we slightly increased our exposure to value names in the first quarter of 2022. However, the overall portfolio characteristic remains growth-oriented. We believe that the correction in growth stocks since last year will come to an end sooner or later. For our conviction call out of favor temporarily amid the market turmoil, solid fundamental research is on an ongoing basis with further intensive monitoring to ensure the mid to long-term outlook remains intact. Despite the global outlook being unclear, we invest in potential structural growth streams within the transformation of China's economy. Many secular trends such as VR/AR, EV, and solar energy will continue to grow relatively faster than the Chinese economy as a whole over the medium to longer term.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
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REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager, Taikang Asset Management (Hong Kong) Company Limited, has, in all material respects, managed Taikang Kaitai Funds – Taikang Kaitai China New Opportunities Fund for the year ended 31 December 2021 in accordance with the provisions of the Trust Deed dated 16 April 2014, as amended or supplemented from time to time.

On behalf of
BOCI-Prudential Trustee Limited, the Trustee

26 April 2022

Independent Auditor's Report

To the Trustee and the Manager of
TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Taikang Kaitai China New Opportunities Fund (a sub-fund of Taikang Kaitai Funds (the "Trust") and referred to as the "Sub-Fund") set out on pages 7 to 39 which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders and the 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 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 *Code of Ethics for Professional Accountants* (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, 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.

Other information included in the Annual Report

The Trustee and the Manager 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 Trustee and the Manager of
TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(A Sub-Fund of Taikang Kaitai Funds, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

Responsibilities of the Trustee and the Manager for the financial statements

The Trustee and the Manager of the Sub-Fund are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Trustee and the Manager 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 Trustee and the Manager 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 Trustee and the Manager either intend to liquidate the Sub-Fund or to cease operations or have no realistic alternative but to do so.

In addition, the Trustee and the Manager 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 16 April 2014, as amended or supplemented from time to time (the "Trust Deed") 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, in accordance with our agreed terms of engagement, 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 ISAs 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 Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, 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.

Independent Auditor's Report (continued)

To the Trustee and the Manager of
TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
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Auditor's responsibilities for the audit of the financial statements (continued)

- 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 Trustee and the Manager.
- Conclude on the appropriateness of the Trustee's and the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Trustee and the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Certified Public Accountants
Hong Kong
26 April 2022

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2021

	Notes	2021 HKD	2020 HKD
INCOME			
Dividend income on financial assets at fair value through profit or loss		3,010,537	2,644,628
Interest income on bank deposits		2,948	2,174
Net (losses)/gains on financial assets at fair value through profit or loss	7	(30,278,944)	147,414,624
Net foreign exchange differences		(215,865)	(3,259)
		<u>(27,481,324)</u>	<u>150,058,167</u>
EXPENSES			
Management fee	4	(4,792,212)	(3,255,559)
Trustee fee	4	(591,482)	(480,213)
Auditor's remuneration		(204,455)	(193,898)
Custodian fee	4	(421,556)	(421,861)
Brokerage fees and other transaction costs		(4,273,484)	(3,249,551)
Legal and other professional fee		(125,987)	(42,866)
Bank charges		(1,481)	(1,471)
Other expenses		(246,476)	(213,950)
		<u>(10,657,133)</u>	<u>(7,859,369)</u>
Operating (loss)/profit		(38,138,457)	142,198,798
FINANCE COSTS			
Distributions to unitholders	5	<u>(83,029)</u>	<u>(843,470)</u>
(LOSS)/PROFIT BEFORE TAX		(38,221,486)	141,355,328
Withholding tax	6	<u>(161,422)</u>	<u>(143,614)</u>
(DECREASE) / INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS DURING THE YEAR		<u><u>(38,382,908)</u></u>	<u><u>141,211,714</u></u>

The accompanying notes are an integral part of these financial statements.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	2021 HKD	2020 HKD
ASSETS			
Financial assets at fair value through profit or loss	7	401,967,514	339,063,611
Amounts due from brokers	8	2,115,411	3,898,861
Amounts receivable on subscription of units		67,080	-
Cash and cash equivalents	9	<u>1,874,462</u>	<u>7,052,028</u>
TOTAL ASSETS		<u><u>406,024,467</u></u>	<u><u>350,014,500</u></u>
LIABILITIES			
Management fee payable	4	419,063	322,171
Trustee fee payable	4	51,106	40,213
Distributions payable to unitholders	5	6,406	21,184
Other payables and accruals		280,694	135,331
Amounts due to brokers	8	1,144,068	9,864,945
Amounts payable on redemption of units		<u>58,591</u>	<u>7,964,984</u>
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u><u>1,959,928</u></u>	<u><u>18,348,828</u></u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	11	<u><u>404,064,539</u></u>	<u><u>331,665,672</u></u>
TOTAL LIABILITIES		<u><u>406,024,467</u></u>	<u><u>350,014,500</u></u>

.....
Manager

.....
Trustee

The accompanying notes are an integral part of these financial statements.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Year ended 31 December 2021

	Note	Number of Units	HKD
As at 1 January 2021		<u>11,401,572.503</u>	<u>331,665,672</u>
Subscription of units			
- Class I-HKD-ACC		2,207,850.896	49,108,505
- Class I-USD-ACC		414,381.361	61,460,801
- Class A-HKD-ACC		1,359,247.737	28,703,438
- Class A-USD-ACC		239,776.414	39,811,198
- Class A-HKD-DIST		99,574.119	1,740,745
- Class A-USD-DIST		12,195.648	1,533,246
- Class A-RMB-AC		833.959	10,000
		<u>4,333,860.134</u>	<u>182,367,933</u>
Redemption of units			
- Class I-HKD-ACC		(1,989,857.935)	(44,359,496)
- Class I-USD-ACC		(14,002.340)	(2,033,079)
- Class A-HKD-ACC		(376,159.687)	(7,941,325)
- Class A-USD-ACC		(45,370.732)	(7,780,499)
- Class A-HKD-DIST		(189,002.899)	(3,127,524)
- Class A-USD-DIST		(47,602.110)	(6,344,235)
		<u>(2,661,995.703)</u>	<u>(71,586,158)</u>
Decrease in net assets attributable to unitholders during the year		<u>-</u>	<u>(38,382,908)</u>
As at 31 December 2021	10	<u><u>13,073,436.934</u></u>	<u><u>404,064,539</u></u>

The accompanying notes are an integral part of these financial statements.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

Year ended 31 December 2021

	Note	Number of Units	HKD
As at 1 January 2020		<u>11,355,841.927</u>	<u>187,518,063</u>
Subscription of units			
- Class I-HKD-ACC		3,078,070.796	57,761,250
- Class I-USD-ACC		430,064.234	45,337,750
- Class A-HKD-ACC		520,367.286	8,136,207
- Class A-USD-ACC		70,528.393	9,324,897
- Class A-HKD-DIST		6,185,610.377	64,801,457
- Class A-USD-DIST		190,217.894	15,129,031
		<u>10,474,858.980</u>	<u>200,490,592</u>
Redemption of units			
- Class I-HKD-ACC		(2,400,453.108)	(46,088,167)
- Class I-USD-ACC		(295,900.712)	(35,127,255)
- Class A-HKD-ACC		(602,288.912)	(9,960,474)
- Class A-USD-ACC		(79,094.339)	(9,529,028)
- Class A-HKD-DIST		(6,910,394.424)	(84,961,633)
- Class A-USD-DIST		(140,996.909)	(11,888,140)
		<u>(10,429,128.404)</u>	<u>(197,554,697)</u>
Increase in net assets attributable to unitholders during the year		<u>-</u>	<u>141,211,714</u>
As at 31 December 2020	10	<u><u>11,401,572.503</u></u>	<u><u>331,665,672</u></u>

The accompanying notes are an integral part of these financial statements.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

STATEMENT OF CASH FLOWS

Year ended 31 December 2021

	Notes	2021 HKD	2020 HKD
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(38,221,486)	141,355,328
Adjustments for:			
Dividend income on financial assets at fair value through profit or loss		(3,010,537)	(2,644,628)
Interest income on bank deposits		(2,948)	(2,174)
Distributions to unitholders	5	83,029	843,470
		<u>(41,151,942)</u>	<u>139,551,996</u>
Increase in financial assets at fair value through profit or loss		(62,903,903)	(152,320,505)
Decrease/(increase) in amounts due from brokers		1,783,450	(2,263,107)
(Decrease)/increase in amounts due to brokers		(8,720,877)	5,136,666
Increase in management fee payable		96,892	119,665
Increase/(decrease) in trustee fee payable		10,893	(1,121)
Increase/(decrease) in other payables and accruals		<u>145,363</u>	<u>(39,123)</u>
Cash used in operations		(110,740,124)	(9,815,529)
Interest received		2,948	2,174
Dividend received		3,010,537	2,644,628
Withholding tax paid		<u>(161,422)</u>	<u>(143,614)</u>
Net cash flows used in operating activities		<u>(107,888,061)</u>	<u>(7,312,341)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units		182,300,853	202,789,514
Payments for redemption of units		(79,492,551)	(201,307,271)
Distributions paid to unitholders		<u>(97,807)</u>	<u>(844,446)</u>
Net cash flows from financing activities		<u>102,710,495</u>	<u>637,797</u>
DECREASE IN CASH AND CASH EQUIVALENTS		(5,177,566)	(6,674,544)
Cash and cash equivalents at beginning of year		<u>7,052,028</u>	<u>13,726,572</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>1,874,462</u></u>	<u><u>7,052,028</u></u>
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS			
Cash at banks	9	<u><u>1,874,462</u></u>	<u><u>7,052,028</u></u>

The accompanying notes are an integral part of these financial statements.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

1. THE SUB-FUND

Taikang Kaitai Funds (the “Trust”) 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 16 April 2014 and its supplemental deed (the “Trust Deed”).

Taikang Kaitai China New Opportunities Fund (the “Sub-Fund”) was constituted as a separate Sub-Fund of the Trust on 11 August 2016. The Sub-Fund is an open-ended unit trust and is authorised by the Hong Kong Securities and Futures Commission (the “SFC”) under Section 104(1) of the Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds issued by the SFC (the “SFC Code”). Authorisation by the SFC does not imply official approval or recommendation.

The Manager of the Trust is Taikang Asset Management (Hong Kong) Company Limited (the “Manager”) and the Trustee is BOCI-Prudential Trustee Limited (the “Trustee”). The custodian is Bank of China (Hong Kong) Limited (the “Custodian”).

Three classes of units, namely Class A units, Class I units and Class P units, are available in the Sub-Fund. Class A units are available for sale to the retail public in Hong Kong while Class I units are offered to institutional investors, private bank clients and other investors determined by the manager from time to time. Class P units are available for sale to investors in Mainland China. Class A units and Class P units are subjected to same management fee while Class I units are subject to different management fees. For the year ended 31 December 2021, Class A units and Class I units were in issue.

The investment objective of the Sub-Fund is to provide investors with long term capital appreciation (i.e. not less than 70% of its net assets) primarily through investing in China-related investments in equity markets.

2.1 BASIS OF PREPARATION

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”), interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

The financial statements have been prepared under the historical cost basis, except for financial assets classified at fair value through profit or loss that have been measured at fair value. The financial statements are presented in HKD and all values are rounded to the nearest HKD except where otherwise indicated.

2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

There are no standards and interpretations that are effective for annual periods beginning on or after 1 January 2021 which, in the opinion of the Board will clearly impact the Sub-Fund and applied by the Sub-Fund for the first-time. The Sub-Fund also has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2.3. ISSUED BUT NOT YET EFFECTIVE IFRS

The amended standards that are issued, but not yet effective, up to the date of the Sub-Fund's financial statements are disclosed below, except for those standards which, in the opinion of the Board, will clearly not impact the Sub-Fund. The Sub-Fund intends to adopt these amended standards, if applicable, when they become effective.

Amendments to IAS 8: *Definition of Accounting Estimates*

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Sub-Fund.

Amendments to IAS 1 and IFRS Practice Statement 2: *Disclosure of Accounting Policies*

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Sub-Fund is currently assessing the impact of the amendments to determine the impact they will have on the Sub-Fund's accounting policy disclosures.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(i) Classification

In accordance with IFRS 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 a 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 as a hedging instrument).

Financial assets

The Sub-Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

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

Financial assets measured at amortised cost

A debt instrument is 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 category short-term non-financing receivables including amounts receivable on subscription of units, amounts due from brokers and cash and cash equivalents.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) 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
- (c) At initial recognition, it is irrevocably designated as measured at fair value through profit or loss 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

31 December 2021

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Classification (continued)

Financial liabilities

Financial liabilities measured at fair value through profit or loss

A financial liability is measured at fair value through profit or loss if it meets the definition of held for trading. The Sub-Fund includes in this category its redeemable shares and the Sub-Fund's accounting policy regarding the redeemable shares is described below.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Sub-Fund includes in this category amounts due to brokers, amounts payable on redemption of units, management fee payable, trustee fee payable, distributions payable to unitholders and other payables and accruals.

(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 timeframe 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 and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

After initial measurement, the Sub-Fund measures financial instruments which are classified as at fair value of profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at fair value through profit or loss in profit or loss. Interest and dividends earned or paid on these instruments are recorded separately in interest income or expense and dividend income or expense in profit or loss.

Debt instruments, other than those classified as at fair value through or loss, are measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the debt instruments are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at fair value through profit or loss, 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iv) Subsequent measurement (continued)

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 in profit or loss over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the 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 primarily derecognised (i.e., removed from the Sub-Fund's statement of financial position) when:

- 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 (a) the Portfolio has transferred substantially all the risks and rewards of the asset; or (b) the Portfolio has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Sub-Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Sub-Fund continues to recognise the transferred asset to the extent of the Sub-Fund's continuing involvement. 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.

Impairment of financial assets

The Sub-Fund holds only amounts due from brokers and amounts receivable on subscription of units with no financing component and which have maturities of less than 3 months or on demand at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses ("ECL") under IFRS 9 to all its receivables. Therefore, the Sub-Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Sub-Fund's approach to ECLs 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 measure ECLs on 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is 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. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

Fair value measurement

The Sub-Fund measures its investments in financial instruments, such as equity instruments, at fair value at the end of each reporting period. 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 by 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. For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

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 identifies transfers between levels in the hierarchy by re-assessing 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

For the purpose of fair value disclosures, the Sub-Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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, 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 translations

Transactions during the reporting 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.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency transaction gains and losses on financial instruments classified as fair value through profit or loss are included in profit or loss as part of the "Net gain or loss on financial assets at fair value through profit or loss". Foreign exchange differences on other financial instruments are included in profit or loss as "Net foreign exchange differences".

Amounts due to and due from brokers

Amounts due to brokers are payables 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 measured at amortised cost, for recognition and measurement.

Amounts due from brokers include margin accounts and 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 financial assets measured at amortised cost for recognition and measurement.

Margin accounts represent cash deposits held with brokers as collateral against open futures contracts.

Net assets attributable to holders of redeemable units

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

Redeemable units are subscribed and redeemed during the Hong Kong and PRC business days of each calendar month or such other day or days determined by the Manager and the Trustee may agree from time to time for cash equal to a proportionate share of the Sub-Fund's net assets attributable to holders of redeemable units of the relevant classes. The Manager is entitled, with the

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets attributable to holders of redeemable units (continued)

approval of the Trustee, to limit the number of redeemable units of the Sub-Fund redeemed on any business day to 10% of the total number of redeemable units of the Sub-Fund in issue.

Redeemable units are issued and redeemed at the holder's option at prices based on the Sub-Fund's net assets attributable to holders of redeemable units per unit at the time of issue or redemption. The Sub-Fund's net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders by the number of units in issue.

Distributions to unitholders

Distributions are at the discretion of the Manager. A distribution to the Sub-Fund's unitholders is included in profit or loss in the statement of profit or loss and other comprehensive income as the "Finance costs". A proposed distribution is recognised as a liability in the period in which it is approved by the Manager of the Sub-Fund.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

Dividend income

Dividend income is recognised when the Sub-Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding tax, which is disclosed separately in profit or loss.

Transaction costs

Transaction costs are costs incurred to acquire financial assets or financial liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

Net gain or loss on financial assets at fair value through profit or loss

This item includes changes in the fair value of financial assets as "fair value through profit or loss" and excludes interest and dividend incomes and expenses.

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 "fair value through profit or loss" are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

Interest income

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

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxes

In some jurisdiction, dividend income, interest 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 statement of profit or loss and other comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

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 of a parent 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, or any member of group of which it is a part, provides key management personnel services to the Sub-Fund or to the parent of the Sub-Fund.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Sub-Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Estimates

The key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Sub-Fund based its estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Sub-Fund. Such changes are reflected in the assumptions when they occur.

Taxation

In preparing these financial statements, management 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.

PRC taxes on capital gains

The Ministry of Finance ("MOF") has made certain assumptions and used various estimates concerning the tax exposure which is jointly issued a circular concerning the tax treatment for the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81 - The Circular Concerning the Tax Treatment for the Pilot Programme of the Shanghai-Hong Kong Stock Connect ("Circular 81")) which states that the corporate income tax ("CIT"), individual income tax and business tax ("BT") will be temporarily exempt on gains derived by Hong Kong and overseas investors (including the Sub-Fund) on the trading of China A-Shares through the Shanghai-Hong Kong Stock Connect. Besides, the MOF, the State Administration of Taxation ("SAT") and China Securities Regulatory Commission ("CSRC") have jointly issued a circular concerning the tax treatment for the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127 – The Circular Concerning the Tax Treatment for the Pilot Programme of the Shenzhen-Hong Kong Stock Connect ("Circular 127")), which states that CIT and individual income tax will be temporarily exempt on gains derived by Hong Kong and overseas investors (including the Sub-Fund) on the trading of China A-Shares through the Shenzhen-Hong Kong Stock Connect. The abovementioned BT would only apply to income derived by the Sub-Fund before 1 May 2016. The value-added tax ("VAT") reform was fully rolled out and the Circular Caishui [2016] 36 ("Circular 36") came into effective from 1 May 2016 that income derived by taxpayers from investments in PRC securities would be subject to VAT instead of BT. For gains derived from investment in China A-Shares via Stock Connect, the Sub-Fund is also temporarily exempt from PRC VAT according to Circular 36 and Circular 127.

With the temporary exemption in Circular 81 and Circular 127, the Sub-Fund did not accrue any PRC CIT and VAT provisions for gains made on China A-Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

PRC taxes on dividends

The Sub-Fund is subject to PRC WIT at a rate of 10% on the dividend income received from China A-Shares and China H-shares.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

PRC taxes on dividends (continued)

Pursuant to the “Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect” (Caishui [2014] No. 81) (“Circular 81”) and the “Notice about the tax policies related to the Shenzhen-Hong Kong Stock Connect” (Caishui [2016] No. 127) (“Circular 127”) promulgated by the MOF, the SAT and the CSRC on 14 November 2014 and on 1 December 2016 respectively, the Sub-Fund is subject to a PRC withholding tax (“WIT”) at a rate of 10% on the dividend income received from China A-Shares and China H-shares.

The PRC WIT on dividend income incurred during the year are included in “Withholding tax” in the statement of profit or loss and other comprehensive income of the Sub-Fund.

4. FEES

Management fee

The Manager is entitled to receive a management fee from the Sub-Fund as a percentage of net assets attributable to holders of redeemable units of each class of unit of the Sub-Fund Class A units: 1.75%, Class I units: 1.0%, and Class P units: 1.75%, subject to maximum fee of 3% per annum calculated and accrued daily and payable monthly in arrears.

During the year ended 31 December 2021, the Sub-Fund incurred management fee of HKD4,792,212 (2020: HKD3,255,559), of which HKD419,063 (2020: HKD322,171) was payable at the end of the reporting period.

Trustee fee

The Trustee is entitled to receive a trustee fee from the Sub-Fund, at a rate of up to 0.15% per annum of the net assets attributable to holders of redeemable units of the Sub-Fund calculated, subject to a minimum monthly fee of HKD40,000 (2020: HKD40,000) and accrued daily and payable monthly in arrears.

During the year ended 31 December 2021, the Sub-Fund incurred trustee fee of HKD591,482 (2020: HKD480,213), of which HKD51,106 (2020: HKD40,213) was payable at the end of the reporting period.

Custodian fee

The Custodian is entitled to receive custody fee from the Sub-Fund, at a rate of up to 0.1% per annum of the net assets attributable to holders of redeemable units of the Sub-Fund, and transaction handling fee for each transactions of the investments, calculated and accrued and payable monthly in arrears. During the year ended 31 December 2021, the Sub-Fund incurred custodian fee of HKD421,556 (2020: HKD421,861).

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

5. DISTRIBUTION

	Note	2020 HKD
Undistributed income at 1 January 2020		-
Increase in net assets attributable to unitholders during the year		141,211,714
Add: Finance costs – distribution to unitholders		843,470
Add: Net foreign exchange differences		3,259
Less: Net unrealised gains on financial assets at fair value through profit or loss	7	<u>(79,560,599)</u>
Undistributed income before distribution		62,497,844
Dividend declared on 31 January 2020 (Class A - HKD - DIST - HKD0.025 per unit) (Class A - USD - DIST - USD0.025 per unit)		(35,567)
Dividend declared on 28 February 2020 (Class A - HKD - DIST - HKD0.025 per unit) (Class A - USD - DIST - USD0.025 per unit)		(114,513)
Dividend declared on 31 March 2020 (Class A - HKD - DIST - HKD0.022 per unit) (Class A - USD - DIST - USD0.022 per unit)		(133,865)
Dividend declared on 29 April 2020 (Class A - HKD - DIST - HKD0.022 per unit) (Class A - USD - DIST - USD0.022 per unit)		(130,910)
Dividend declared on 29 May 2020 (Class A - HKD - DIST - HKD0.022 per unit) (Class A - USD - DIST - USD0.022 per unit)		(121,553)
Dividend declared on 30 June 2020 (Class A - HKD - DIST - HKD0.028 per unit) (Class A - USD - DIST - USD0.028 per unit)		(104,353)
Dividend declared on 31 July 2020 (Class A - HKD - DIST - HKD0.028 per unit) (Class A - USD - DIST - USD0.028 per unit)		(105,183)
Dividend declared on 31 August 2020 (Class A - HKD - DIST - HKD0.028 per unit) (Class A - USD - DIST - USD0.028 per unit)		(24,314)
Dividend declared on 30 September 2020 (Class A - HKD - DIST - HKD0.032 per unit) (Class A - USD - DIST - USD0.032 per unit)		(17,265)

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

5. DISTRIBUTION (continued)

	2020 HKD
Dividend declared on 30 October 2020 (Class A - HKD - DIST - HKD0.032 per unit) (Class A - USD - DIST - USD0.032 per unit)	(17,383)
Dividend declared on 30 November 2020 (Class A - HKD - DIST - HKD0.032 per unit) (Class A - USD - DIST - USD0.032 per unit)	(17,380)
Dividend declared on 31 December 2020 (Class A - HKD - DIST - HKD0.039 per unit) (Class A - USD - DIST - USD0.039 per unit)	(21,184)
Transfer to capital	<u>(61,654,374)</u>
Undistributed income at 31 December 2020	<u><u>-</u></u>

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

5. DISTRIBUTION (continued)

	Note	2021 HKD
Undistributed income at 1 January 2021		-
Decrease in net assets attributable to unitholders during the year		(38,382,908)
Add: Finance costs – distribution to unitholders		83,029
Add: Net foreign exchange differences		215,865
Less: Net unrealised losses on financial assets at fair value through profit or loss	7	<u>98,968,959</u>
Undistributed income before distribution		60,884,945
Dividend declared on 31 January 2021 (Class A - HKD - DIST - HKD0.039 per unit) (Class A - USD - DIST - USD0.039 per unit)		(22,247)
Dividend declared on 28 February 2021 (Class A - HKD - DIST - HKD0.039 per unit) (Class A - USD - DIST - USD0.039 per unit)		(15,075)
Dividend declared on 31 March 2021 (Class A - HKD - DIST - HKD0.040 per unit) (Class A - USD - DIST - USD0.040 per unit)		(2,770)
Dividend declared on 29 April 2021 (Class A - HKD - DIST - HKD0.040 per unit) (Class A - USD - DIST - USD0.040 per unit)		(2,772)
Dividend declared on 29 May 2021 (Class A - HKD - DIST - HKD0.040 per unit) (Class A - USD - DIST - USD0.040 per unit)		(2,774)
Dividend declared on 30 June 2021 (Class A - HKD - DIST - HKD0.044 per unit) (Class A - USD - DIST - USD0.045 per unit)		(3,099)
Dividend declared on 31 July 2021 (Class A - HKD - DIST - HKD0.044 per unit) (Class A - USD - DIST - USD0.045 per unit)		(3,346)
Dividend declared on 31 August 2021 (Class A - HKD - DIST - HKD0.044 per unit) (Class A - USD - DIST - USD0.045 per unit)		(5,493)
Dividend declared on 30 September 2021 (Class A - HKD - DIST - HKD0.038 per unit) (Class A - USD - DIST - USD0.038 per unit)		(6,087)

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

5. DISTRIBUTION (continued)

	2021 HKD
Dividend declared on 30 October 2021 (Class A - HKD - DIST - HKD0.038 per unit) (Class A - USD - DIST - USD0.038 per unit)	(6,331)
Dividend declared on 30 November 2021 (Class A - HKD - DIST - HKD0.038 per unit) (Class A - USD - DIST - USD0.038 per unit)	(6,629)
Dividend declared on 31 December 2021 (Class A - HKD - DIST - HKD0.035 per unit) (Class A - USD - DIST - USD0.036 per unit)	(6,406)
Transfer to capital	<u>(60,801,915)</u>
Undistributed income at 31 December 2021	<u><u>-</u></u>

The amount available for distribution is the total net amount receivable by the Sub-Fund in respect of the relevant period ("Total Income") minus any expenses chargeable against income, subject to adjustments made in accordance with the Trust Deed. Total Income would include amount receivable by way of interests (e.g. generated from bank deposits and debt securities), or other receipts as determined by the Manager to be in the nature of income. Unrealised capital gain or loss does not form part of Total Income and therefore would not impact on the amount available for distribution.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

6. INCOME TAX

Hong Kong Tax

The Sub-Funds of the Trust are exempt from Hong Kong profits tax on income arising from its authorised activities under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

Withholding Tax

The Sub-Fund is subject to withholding tax on dividend income derived from investments in China A-Shares, China H-shares and United States.

The withholding tax paid during the year ended 31 December 2021 was HKD161,422 (2020: HKD143,614).

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 HKD	2020 HKD
Financial assets at fair value through profit or loss		
- equity securities	<u>401,967,514</u>	<u>339,063,611</u>
Gains or losses recognised in relation to financial assets at fair value through profit or loss:		
- realised gains	68,690,015	67,854,025
- unrealised (losses)/gains	<u>(98,968,959)</u>	<u>79,560,599</u>
Net (losses)/gains on financial assets at fair value through profit or loss	<u>(30,278,944)</u>	<u>147,414,624</u>

Valuation techniques

Listed equity securities

When fair values of publicly traded securities is based on quoted market prices, or binding dealer price quotations, in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

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

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets measured at fair value at 31 December 2021 and 31 December 2020.

31 December 2021	Quoted prices in active markets (Level 1) HKD	Significant observable inputs (Level 2) HKD	Significant unobservable inputs (Level 3) HKD	Total HKD
Financial assets at fair value through profit or loss:				
- equity securities	<u>401,967,514</u>	<u>-</u>	<u>-</u>	<u>401,967,514</u>
31 December 2020	Quoted prices in active markets (Level 1) HKD	Significant observable inputs (Level 2) HKD	Significant unobservable inputs (Level 3) HKD	Total HKD
Financial assets at fair value through profit or loss:				
- equity securities	<u>339,063,611</u>	<u>-</u>	<u>-</u>	<u>339,063,611</u>

As at 31 December 2021 and 2020, there are no investments classified within Level 2 and Level 3. During the years ended 31 December 2021 and 2020, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

8. AMOUNTS DUE FROM/TO BROKERS

	2021 HKD	2020 HKD
Cash held by brokers	2,381	13,114
Receivables for securities sold but not yet settled	<u>2,113,030</u>	<u>3,885,747</u>
Total amounts due from brokers	<u>2,115,411</u>	<u>3,898,861</u>
Payables for securities purchased but not yet settled	<u>1,144,068</u>	<u>9,864,945</u>
Total amounts due to brokers	<u>1,144,068</u>	<u>9,864,945</u>

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

9. CASH AND CASH EQUIVALENTS

	2021 HKD	2020 HKD
Bank of China (Hong Kong) Limited	<u>1,874,462</u>	<u>7,052,028</u>
Total cash and cash equivalents	<u><u>1,874,462</u></u>	<u><u>7,052,028</u></u>

The bank balance is the cash at bank held in Bank of China (Hong Kong) Limited. The bank balances are deposited with creditworthy bank with no recent history of default. Interest is earned at a floating rate based on daily bank deposit rates.

10. NUMBER OF UNITS IN ISSUE

The following is the subscription/(redemption) of units of the Sub-Fund during the year ended 31 December 2021:

	As at 1 January 2021	Subscription of units	Redemption of units	As at 31 December 2021
Class I-HKD-ACC	8,261,572.258	2,207,850.896	(1,989,857.935)	8,479,565.219
Class I-USD-ACC	392,959.611	414,381.361	(14,002.340)	793,338.632
Class A-HKD-ACC	2,320,869.099	1,359,247.737	(376,159.687)	3,303,957.149
Class A-USD-ACC	216,798.728	239,776.414	(45,370.732)	411,204.410
Class A-HKD-DIST	159,937.841	99,574.119	(189,002.899)	70,509.061
Class A-USD-DIST	49,434.966	12,195.648	(47,602.110)	14,028.504
Class A-RMB-AC	-	833.959	-	833.959
Total	<u><u>11,401,572.503</u></u>	<u><u>4,333,860.134</u></u>	<u><u>(2,661,995.703)</u></u>	<u><u>13,073,436.934</u></u>

The following is the subscription/(redemption) of units of the Sub-Fund during the year ended 31 December 2020:

	As at 1 January 2020	Subscription of units	Redemption of units	As at 31 December 2020
Class I-HKD-ACC	7,583,954.570	3,078,070.796	(2,400,453.108)	8,261,572.258
Class I-USD-ACC	258,796.089	430,064.234	(295,900.712)	392,959.611
Class A-HKD-ACC	2,402,790.725	520,367.286	(602,288.912)	2,320,869.099
Class A-USD-ACC	225,364.674	70,528.393	(79,094.339)	216,798.728
Class A-HKD-DIST	884,721.888	6,185,610.377	(6,910,394.424)	159,937.841
Class A-USD-DIST	213.981	190,217.894	(140,996.909)	49,434.966
Total	<u><u>11,355,841.927</u></u>	<u><u>10,474,858.980</u></u>	<u><u>(10,429,128.404)</u></u>	<u><u>11,401,572.503</u></u>

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

	2021 HKD	2020 HKD
Published net assets attributable to unitholders	404,030,681	333,986,575
Adjustment to preliminary expenses (a)	-	(65,660)
Adjustment to amounts payable on redemption of units (b)	-	(2,255,243)
Adjustment to amounts receivable on subscription of units (c)	<u>33,858</u>	<u>-</u>
Net assets attributable to unitholders as reported in the audited financial statements	<u>404,064,539</u>	<u>331,665,672</u>

As at 31 December 2021

	Unit price as reported in the audited financial statements <i>in class currency</i>	Published unit price <i>in class currency</i>
Class I-HKD-ACC		
Net assets attributable to unitholders	HKD20.818	HKD20.818
Class I-USD-ACC		
Net assets attributable to unitholders	USD16.663	USD16.663
Class A-HKD-ACC		
Net assets attributable to unitholders	HKD18.726	HKD18.726
Class A-USD-ACC		
Net assets attributable to unitholders	USD18.712	USD18.712
Class A-HKD-DIST		
Net assets attributable to unitholders	HKD14.298	HKD14.298
Class A-USD-DIST		
Net assets attributable to unitholders	USD14.340	USD14.340
Class A-HKD-RMB		
Net assets attributable to unitholders	HKD8.551	HKD8.551

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

As at 31 December 2020

	Unit price as reported in the audited financial statements <i>in class currency</i>	Published unit price <i>in class currency</i>
Class I-HKD-ACC		
Net assets attributable to unitholders	HKD22.504	HKD22.508
Class I-USD-ACC		
Net assets attributable to unitholders	USD18.118	USD18.121
Class A-HKD-ACC		
Net assets attributable to unitholders	HKD20.394	HKD20.399
Class A-USD-ACC		
Net assets attributable to unitholders	USD20.499	USD20.503
Class A-HKD-DIST		
Net assets attributable to unitholders	HKD16.038	HKD16.041
Class A-USD-DIST		
Net assets attributable to unitholders	USD16.180	USD16.183
Class A-HKD-RMB		
Net assets attributable to unitholders	-	-

Notes:

- (a) The explanatory memorandum provides for the amortisation of preliminary expense over the first 5 years of operation of the Sub-Fund, instead of those amounts being expensed as incurred during the period, as required under IFRSs. The unamortised preliminary expenses as at 31 December 2021 amounted to Nil (2020: HKD65,660) and is fully amortised this year.
- (b) There was no redemption of units on 31 December 2021 after net assets attributable to unitholders is published on 31 December 2021. (2020: Class A-HKD-ACC – HKD2,255,243)
- (c) There was subscription of units of Class A-HKD-ACC and Class A-USD-ACC on 31 December 2021 after net assets attributable to unitholders is published on 31 December 2021.

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.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Investment in the Sub-Fund is subject to normal market fluctuations and other risks inherent in investing in securities and there can be no assurance that any appreciation in value will occur. The value of investments and the income from them fluctuate and therefore the value of the redeemable participating units can fall as well as rise.

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 of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investors' expectation etc. which may have significant impact on the value of the investments. Market movement may therefore result in substantial fluctuation in the net assets attributable to holders of redeemable units of each class per redeemable class unit of the Sub-Fund.

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 follows:

- Price risk
- Interest rate risk
- 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 table below summarises the overall market exposures of the Sub-Fund and the impact of the increase/decrease in the fair value of the Sub-Fund's financial assets at fair value through profit or loss on the Sub-Fund's net asset value as at 31 December 2021 and 31 December 2020. The analysis is based on the assumption that the underlying investments in 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 US\$	% of net assets %	Shift in underlying securities % +/-	Estimated possible change in net asset value US\$ +/-
As at 31 December 2021	401,967,514	99	1	4,019,675
As at 31 December 2020	339,063,611	102	1	3,390,636

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of interest-bearing assets and future cash flow.

The Sub-Fund has interest-bearing bank deposits. As the bank deposits are on demand, the Manager considers the movement in interest rates will have insignificant cash flow impact on the daily net assets attributable to holders of redeemable units and therefore no sensitivity analysis on bank deposits is presented.

Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-Fund invests in securities that are denominated in currencies other than the HKD. Accordingly, the value of the Sub-Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates. Therefore, the Sub-Fund will necessarily be subject to foreign exchange risks.

The primary purpose of the Sub-Fund's foreign currency economic hedging activities is to protect against the volatility associated with investments and other assets and liabilities denominated in foreign currencies in the normal course of business. From time to time, the Sub-Fund may attempt to manage currency risk by using forward contracts, options or other instruments.

The Sub-Fund only holds monetary financial assets and liabilities predominately denominated in HKD and USD. The Manager considers the Sub-Fund is not exposed to significant currency risk and therefore no sensitivity analysis is presented.

Liquidity risk

Liquidity risk is defined as the risk that the Sub-Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. The Sub-Fund is exposed to cash redemptions of its redeemable units on every Hong Kong business day during the calendar year.

The Manager seeks to control the liquidity risk of the investment portfolio in order to meet unitholders' redemption requests. However, if sizable redemption requests are received, the Manager may need to liquidate investment at a substantial discount in order to satisfy such requests and the Sub-Fund may suffer losses as a result.

As at 31 December 2021

	On demand HKD	Less than 3 months HKD	3 to less than 12 months HKD	More than 12 months HKD	Total HKD
Financial assets					
Financial assets at fair value through profit or loss	-	401,967,514	-	-	401,967,514
Amounts receivable on subscription of units	67,080	-	-	-	67,080
Cash and cash equivalents	1,874,462	-	-	-	1,874,462
Amounts due from brokers	2,113,030	2,381	-	-	2,115,411
	<u>4,054,572</u>	<u>401,969,895</u>	<u>-</u>	<u>-</u>	<u>406,024,467</u>

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

As at 31 December 2021

	On demand HKD	Less than 3 months HKD	3 to less than 12 months HKD	Others HKD	Total HKD
Financial liabilities					
Amounts due to brokers	1,144,068	-	-	-	1,144,068
Amounts payable on redemption of units	58,591	-	-	-	58,591
Management fee payable	419,063	-	-	-	419,063
Trustee fee payable	51,106	-	-	-	51,106
Distributions payable- to unitholders	-	6,406	-	-	6,406
Other payables and accruals	-	280,694	-	-	280,694
Net asset attributable to unitholders*	-	-	-	404,064,539	404,064,539
	<u>1,672,828</u>	<u>287,100</u>	<u>-</u>	<u>404,064,539</u>	<u>406,024,467</u>

As at 31 December 2020

	On demand HKD	Less than 3 months HKD	3 to less than 12 months HKD	More than 12 months HKD	Total HKD
Financial assets					
Financial assets at fair value through profit or loss	-	339,063,611	-	-	339,063,611
Cash and cash equivalents	7,052,028	-	-	-	7,052,028
Amounts due from brokers	13,114	3,885,747	-	-	3,898,861
	<u>7,065,142</u>	<u>342,949,358</u>	<u>-</u>	<u>-</u>	<u>350,014,500</u>

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

As at 31 December 2020

	On demand HKD	Less than 3 months HKD	3 to less than 12 months HKD	Others HKD	Total HKD
Financial liabilities					
Amounts due to brokers	-	9,864,945	-	-	9,864,945
Amounts payable on redemption of units	-	7,964,984	-	-	7,964,984
Management fee payable	322,171	-	-	-	322,171
Trustee fee payable	40,213	-	-	-	40,213
Distributions payable to unitholders	-	21,184	-	-	21,184
Other payables and accruals	-	135,331	-	-	135,331
Net asset attributable to unitholders*	-	-	-	331,655,672	331,665,672
	<u>362,384</u>	<u>17,986,444</u>	<u>-</u>	<u>331,655,672</u>	<u>350,014,500</u>

* Subject to redemption terms of the Sub-Fund.

Credit and counterparty risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Sub-Fund by failing to discharge an obligation. The Sub-Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within equity securities and cash and cash equivalents.

It is the Sub-Fund's policy to enter into financial instruments with reputable counterparties. The Manager's policy is to closely monitor the creditworthiness of the Sub-Fund's counterparties (e.g., brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

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

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit and counterparty risk (continued)

As at 31 December 2021

	Credit rating	Source of credit rating
Bank of China (Hong Kong) Limited	Aa3	Moody's

As at 31 December 2020

	Credit rating	Source of credit rating
Bank of China (Hong Kong) Limited	Aa3	Moody's

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

Financial assets subject to IFRS 9's impairment requirements

The Sub-Fund's financial assets subject to the expected credit loss model within IFRS 9 are amounts due from brokers, amounts receivable on subscription of units and cash and cash equivalents. At 31 December 2021 and 31 December 2020, no loss allowance had been provided. No assets are considered impaired and no amounts have been written off in the period. All receivables are expected to be received in three months or on demand. The Sub-Fund has adopted the simplified approach, meaning loss allowance made, if any, is based on lifetime ECLs.

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: amounts due from brokers and other receivables.

Financial assets not subject to IFRS 9's impairment requirements

Financial assets at fair value through profit or loss is not subject to IFRS 9's impairment requirements as they are measured at fair value through profit or loss. The carrying value of these assets represents the Sub-Fund's maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

13. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons of the Manager and the Trustee are those as defined in the SFC Code. All transactions entered into during the period between the Sub-Fund 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 what is disclosed below.

A. Bank deposits and investments held by the Trustee's connected persons

The Sub-Fund's bank deposits and investments were held by the Trustee's connected person, Bank of China (Hong Kong) Limited. Further details of the balances held are described in Note 9 to the financial statements. At 31 December 2021, bank balance was HKD1,874,462 (2020: HKD7,052,028). For the year ended 31 December 2021, the interest income on the bank deposits was HKD2,948 (2020: HKD2,174) and bank charges was HKD1,481 (2020: HKD1,471).

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

13. TRANSACTIONS WITH CONNECTED PERSONS (continued)

B. Investment transactions with connected person of the Trustee's connected persons

The following table shows an analysis of the Sub-Fund's transactions executed with BOCI Securities Limited ("BOCI"), the connected persons of the Trustee during the years ended 31 December 2021 and 2020.

	Aggregate value of purchases and sales transactions effected through BOCI HKD	Total commission paid HKD	% of Sub-Fund's total transactions during the year %	Average commission rate %
<u>31 December 2021</u>				
BOCI Securities Limited	27,182,167	40,773	1.00	0.15
<u>31 December 2020</u>				
BOCI Securities Limited	39,579,022	126,301	3.18	0.32

C. Holdings in the Sub-Fund

The Sub-Fund allows the Manager, its connected persons and other funds managed by the Manager to subscribe for, and redeem, units in the Sub-Fund. The holdings in the Sub-Fund by the Manager and its connected persons as at 31 December 2021 and 2020 were as follows:

As at 31 December 2021

Class I-HKD-ACC

	Units outstanding at 31 December 2020	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2021
Taikang Asset Management (Hong Kong) Company Limited, the Manager of the Sub-Fund	4,499,226.420	-	1,934,322.987	2,564,903.433
Senior management of the Manager	67,599.540	-	-	67,599.540
Director of the Manager	1,587,563.914	-	-	1,587,563.914
	<u>6,154,389.874</u>	<u>-</u>	<u>1,934,322.987</u>	<u>4,220,066.887</u>

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

13. TRANSACTIONS WITH CONNECTED PERSONS (continued)

C. Holdings in the Sub-Fund (continued)

As at 31 December 2020

Class I-HKD-ACC

	Units outstanding at 31 December 2019	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2020
Taikang Asset Management (Hong Kong) Company Limited, the Manager of the Sub-Fund	6,488,444.966	-	1,989,218.546	4,499,226.420
Senior management of the Manager	67,599.540	-	-	67,599.540
Director of the Manager	1,027,910.064	559,653.850	-	1,587,563.914
	<u>7,583,954.57</u>	<u>559,653.850</u>	<u>1,989,218.546</u>	<u>6,154,389.874</u>

All transactions entered into during the year between the Sub-Fund and the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms.

D. Fees earned by the Manager, the Trustee and its connected persons

In addition to the management fee, trustee fee and custodian fee disclosed in Note 4, the below fees are charged by the sub-funds connected person:

(i) Registration Fee

Annual Maintenance fee is charged HKD2,500 per share class by the Trustee. The registration fee for the year ended 31 December 2021 was HKD191,613 (2020: HKD180,988).

(ii) Transaction costs

Investment handling fee charged on transactions made through the Trustee at HKD120 per transaction settled and transaction fee charged by the Custodian at USD24 (Hong Kong market), USD25 (Stock-connect) and USD27 (US market) per transaction. The transaction cost for the year ended 31 December 2021 was HKD185,400 (2020: HKD201,240).

(iii) Accounting fee

The Trustee is entitled to receive an accounting fee for preparation of the draft of financial statements, at a rate of HKD10,000 per draft of report. The accounting fee for the year ended 31 December 2021 was HKD10,000 (2020: HKD10,000).

(iv) Distribution handling fee

The Trustee is entitled to receive a distribution handling fee for dividend distribution, at a rate of HKD60 per account holder. The distribution handling fee for the year ended 31 December 2021 was HKD5,040 (2020: HKD2,820).

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

14. 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.

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

15. SUBSEQUENT EVENTS

During the period between the reporting date and the date of authorisation of these financial statements, the Sub-Fund has subsequent subscriptions (Class A-HKD-ACC, Class A-HKD-DIST, Class A-USD-ACC, Class A-USD-DIST and Class I-HKD-ACC amounting to HKD3,502,540, HKD549,650, USD1,356,973, and USD7,164 and HKD100,000 respectively) and redemptions (Class A-HKD-ACC, Class A-HKD-DIST, Class A-USD-ACC and Class I-USD-ACC amounting to HKD1,800,897, HKD39,892, USD211,185 and USD1,693,976, respectively).

16. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Trustee and the Manager on 26 April 2022.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a Sub-Fund of Taikang Kaitai Funds)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

31 December 2021

	At 1 January 2021	Additions	Movement in holdings		At 31 December 2021
			Bonus/ Dividends	Disposals	
Listed investments					
Equity Securities					
China					
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	9,900	2,200	-	(12,100)	-
ESTUN AUTOMATION CO LTD-A	142,837	114,700	-	(166,600)	90,937
FOCUS MEDIA INFORMATION TECHNOLOGY CO LTD-A	929,500	220,200	-	(1,149,700)	-
GOERTEK INC-A	271,600	618,400	-	(483,850)	406,150
GUANGDONG CREATE CENTURY INTELLIGENT EQUIPMENT-A	-	529,400	-	(529,400)	-
HANG ZHOU GREAT STAR INDUSTRIAL CO LTD-A	-	205,300	-	(79,300)	126,000
HANGZHOU FIRST APPLIED MATERIAL CO LTD-A	-	51,980	3,360	(41,700)	13,640
LONGI GREEN ENERGY TECHNOLOGY CO LTD-A	-	77,000	-	-	77,000
LUXSHARE PRECISION INDUSTRY CO LTD-A	-	133,900	-	(133,900)	-
MONTAGE TECHNOLOGY CO LTD-A	-	88,015	-	(88,015)	-
MUYUAN FOODSTUFF CO LTD-A	-	6,400	-	(6,400)	-
NINGBO TUOPU GROUP CO LTD-A	-	206,800	-	(78,400)	128,400
SANY HEAVY INDUSTRY CO LTD-A	-	493,200	-	(16,000)	477,200
SG MICRO CORP-A	-	7,800	-	-	7,800
SHANGHAI LIANGXIN ELECTRICAL CO LTD-A	-	177,000	-	-	177,000
SHENZHEN INOVANCE TECHNOLOGY CO LTD-A	-	91,950	-	(25,700)	66,250
SHENZHEN SC NEW ENERGY TECHNOLOGY CORP-A	27,900	54,700	-	(82,600)	-
SUNGROW POWER SUPPLY CO LTD-A	-	73,600	-	(38,200)	35,400
SUZHOU MAXWELL TECHNOLOGIES CO LTD- A	15,200	13,880	15,520	(15,900)	28,700
TONGWEI CO LTD-A	98,726	91,800	-	(98,726)	91,800
WENS FOODSTUFFS GROUP CO LTD-A	-	317,504	-	-	317,504
WILL SEMICONDUCTOR LTD-A	16,591	27,000	-	(4,800)	38,791
WINNING HEALTH TECHNOLOGY GROUP CO LTD-A	-	356,100	-	(356,100)	-
WUHAN DR LASER TECHNOLOGY CORP LTD- A	-	12,600	-	-	12,600
WUXI LEAD INTELLIGENT EQUIPMENT CO LTD-A	36,000	-	-	(36,000)	-
YUNNAN ENERGY NEW MATERIAL CO LTD-A	21,500	-	-	(21,500)	-
ZHEJIANG CHINT ELECTRICS CO LTD-A	-	128,600	-	-	128,600
ZHEJIANG JINGSHENG MECHANICAL & ELECTRICAL CO LTD-A	-	40,500	-	-	40,500
	1,569,754	4,140,529	18,880	(3,464,891)	2,264,272

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a Sub-Fund of Taikang Kaitai Funds)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

31 December 2021

	Movement in holdings				
	At 1 January 2021	Additions	Bonus/ Dividends	Disposals	At 31 December 2021
Listed investments (continued)					
Equity Securities (continued)					
Hong Kong					
AIA GROUP LTD	-	45,800	-	(45,800)	-
ALIBABA GROUP HLDG LTD	98,700	269,200	-	(244,600)	123,300
ALPHAMAB ONCOLOGY	450,000	272,000	-	(722,000)	-
ANTA SPORTS PRODUCTS LTD	65,000	46,200	-	(46,400)	64,800
ARCHOSAUR GAMES INC	267,000	15,000	-	(282,000)	-
AVICHINA INDUSTRY & TECHNOLOGY CO LTD-H	-	1,163,000	-	-	1,163,000
BAIDU INC-SW	-	96,200	-	(53,500)	42,700
BILIBILI INC-CL Z	-	10,340	-	(10,340)	-
BRONCUS HLDG CORP	-	387,000	-	-	387,000
CATHAY MEDIA AND EDUCATION GROUP INC	1,143,000	1,347,000	-	(2,490,000)	-
CHAOJU EYE CARE HLDGS LTD	-	25,500	-	(25,500)	-
CHINA BIOTECH SERVICES HLDGS LTD	-	1,820,000	-	-	1,820,000
CHINA CONCH VENTURE HLDGS LTD	-	293,000	-	(293,000)	-
CHINA INTL CAPITAL CORP LTD-H	-	432,000	-	(432,000)	-
CHINA MENGNIU DAIRY CO LTD	-	208,000	-	(208,000)	-
CHINA MERCHANTS BANK CO LTD-H	-	219,500	-	(27,000)	192,500
CHINA MOBILE LTD	-	749,000	-	(749,000)	-
CHINA PACIFIC INSURANCE (GROUP) CO-H	111,400	192,800	-	(304,200)	-
CHINA RESOURCES BEER HLDGS CO LTD	-	196,000	-	(196,000)	-
CHINA RESOURCES LAND LTD	106,000	604,000	-	(710,000)	-
CHINA RESOURCES MIXC LIFESTYLE SERVICES LTD	93,246	-	-	(93,246)	-
CHINA TAIPING INSURANCE HLDGS CO LTD	719,000	205,000	-	(924,000)	-
CHINA YOUZAN LTD	2,476,000	-	-	(2,476,000)	-
CITIC SECURITIES CO LTD-H	-	277,000	-	(277,000)	-
CNOOC LTD	-	2,069,000	-	(2,069,000)	-
COFCO JOYCOME FOODS LTD	-	4,336,000	-	(4,336,000)	-
COUNTRY GARDEN SERVICES HLDGS CO LTD	137,000	141,000	-	(198,000)	80,000
COWELL E HLDGS INC	-	376,000	-	-	376,000
CSC FINANCIAL CO LTD-H	574,500	-	-	(574,500)	-
CSPC PHARMACEUTICAL GROUP LTD	-	1,436,000	-	(1,436,000)	-
CSTONE PHARMACEUTICALS	-	528,500	-	(528,500)	-
DONGYUE GROUP LTD	-	321,000	-	-	321,000
FUYAO GLASS INDUSTRY GROUP CO LTD-H	-	296,800	-	(48,000)	248,800
GEELY AUTOMOBILE HLDGS LTD	131,000	-	-	(131,000)	-
GUANGDONG INVESTMENT LTD	-	368,000	-	(368,000)	-
GUANGZHOU AUTOMOBILE GROUP CO LTD-H	-	538,000	-	(538,000)	-
HAIDILAO INTL HLDG LTD	65,000	12,000	-	(77,000)	-
HANG SENG INDEX FUTURE APR2021	-	(32)	-	32	

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a Sub-Fund of Taikang Kaitai Funds)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

31 December 2021

		Movement in holdings			
	At 1 January 2021	Additions	Bonus/ Dividends	Disposals	At 31 December 2021
Listed investments (continued)					
Equity Securities (continued)					
Hong Kong					
HANG SENG INDEX FUTURE AUG2021	-	(77)	-	77	-
HANG SENG INDEX FUTURE FEB2021	-	(26)	-	26	-
HANG SENG INDEX FUTURE JAN2021	-	(26)	-	26	-
HANG SENG INDEX FUTURE JUL2021	-	(52)	-	52	-
HANG SENG INDEX FUTURE JUN2021	-	(35)	-	35	-
HANG SENG INDEX FUTURE MAR2021	-	(77)	-	77	-
HANG SENG INDEX FUTURE MAY2021	-	(43)	-	43	-
HELENS INTL HLDGS CO LTD	-	234,000	-	-	234,000
HONG KONG EXCHANGES & CLEARING LTD	-	8,300	-	(8,300)	-
HSBC HLDGS PLC	-	108,000	-	(108,000)	-
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	-	668,000	-	(668,000)	-
JD HEALTH INTL INC	19,300	-	-	(19,300)	-
JINKE SMART SERVICES GROUP CO LTD-H	-	388,100	-	-	388,100
JINXIN FERTILITY GROUP LTD	-	781,500	-	(781,500)	-
JIUMAOJIU INTL HLDGS LTD	287,000	452,000	-	(181,000)	558,000
JS GLOBAL LIFESTYLE CO LTD	-	480,000	-	(480,000)	-
KINGDEE INTL SOFTWARE GROUP CO LTD	215,000	200,000	-	(150,000)	265,000
KINGSOFT CORP LTD	102,000	86,800	-	(188,800)	-
KUAISHOU TECHNOLOGY	-	35,400	-	(35,400)	-
LI NING CO LTD	137,000	81,500	-	(83,500)	135,000
LOGAN GROUP CO LTD	-	401,000	-	(401,000)	-
LONGFOR GROUP HLDGS LTD	-	275,000	-	(275,000)	-
MEITUAN-CLASS B	-	118,300	-	(60,600)	57,700
MODERN DENTAL GROUP LTD	-	688,000	-	(688,000)	-
NAYUKI HLDGS LTD	-	21,000	-	(21,000)	-
NEUSOFT EDUCATION TECHNOLOGY CO LTD	651,200	-	-	(651,200)	-
NEW HORIZON HEALTH LTD	-	31,000	-	(31,000)	-
NEWLINK TECHNOLOGY INC	1,776,800	-	-	(1,776,800)	-
PING AN INSURANCE GROUP CO OF CHINA LTD-H	89,000	-	-	(89,000)	-
POSTAL SAVINGS BANK OF CHINA CO LTD-H	2,650,000	1,299,000	-	(3,949,000)	-
POWERLONG COMMERCIAL MANAGEMENT HLDGS LTD	328,000	142,500	-	(470,500)	-
REMEGEN CO LTD-H	56,000	-	-	(56,000)	-
SEMICONDUCTOR MANUFACTURING INTL CORP	-	331,000	-	(331,000)	-
SHANDONG GOLD MINING CO LTD-H	284,500	184,000	-	(468,500)	-
SHIMAO GROUP HLDGS LTD	134,000	-	-	(134,000)	-
SINO BIOPHARMACEUTICAL LTD	-	655,000	-	(655,000)	-
SJM HLDGS LTD	-	1,082,000	-	(1,082,000)	-
SSY GROUP LTD	-	1,348,000	-	-	1,348,000
SUNAC CHINA HLDGS LTD	-	1,485,000	-	(195,000)	1,290,000

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a Sub-Fund of Taikang Kaitai Funds)

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

31 December 2021

	<u>Movement in holdings</u>				
	At 1 January 2021	Additions	Bonus/ Dividends	Disposals	At 31 December 2021
Listed investments (continued)					
Equity Securities (continued)					
Hong Kong					
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	-	49,400	-	(2,400)	47,000
TECHTRONIC INDUSTRIES CO LTD	-	41,500	-	(41,500)	-
TENCENT HLDGS LTD	45,100	34,500	-	(18,900)	60,700
VESYNC CO LTD	-	377,000	-	(377,000)	-
VIVA BIOTECH HLDGS	-	716,500	-	(716,500)	-
WEIMOB INC	419,000	311,000	-	(730,000)	-
WUXI BIOLOGICS CAYMAN INC	55,500	160,500	-	(166,000)	50,000
WYNN MACAU LTD	-	430,800	-	(430,800)	-
XINYI SOLAR HLDGS LTD	-	766,000	-	(766,000)	-
XPENG INC	-	80,300	-	(7,500)	72,800
ZHUZHOU CRRC TIMES ELECTRIC CO LTD-H	-	90,300	-	-	90,300
ZIJIN MINING GROUP CO LTD-H	834,000	1,000,000	-	(928,000)	906,000
ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY CO LTD-H	-	995,400	-	(995,400)	-
ZYLOX-TONBRIDGE MEDICAL TECHNOLOGY CO LTD-H	-	500	-	(500)	-
	14,520,246	35,933,572	-	(40,132,118)	10,321,700

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a Sub-Fund of Taikang Kaitai Funds)

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

31 December 2021

	<u>Movement in holdings</u>				
	At 1 January 2021	Additions	Bonus/ Dividends	Disposals	At 31 December 2021
Listed investments (continued)					
Equity Securities (continued)					
United States					
AIHUI SHOU INTL CO LTD-SPONSORED ADR	-	20,433	-	(20,433)	-
BAIDU INC-ADR	1,093	3,734	-	(4,827)	-
BILIBILI INC-ADR	23,302	-	-	(23,302)	-
CLOOPEN GROUP HLDG LTD-ADR	-	1,000	-	(1,000)	-
DAQO NEW ENERGY CORP-ADR	-	16,357	-	(16,357)	-
DIDI GLOBAL INC-SPONSORED ADR	-	15,000	-	(15,000)	-
FULL TRUCK ALLIANCE CO LTD- SPONSORED ADR	-	3,467	-	(3,467)	-
FUTU HLDGS LTD-SPONSORED ADR	-	5,221	-	(5,221)	-
GDS HLDGS LTD-SPONSORED ADR	11,049	5,817	-	(16,866)	-
HUAZHU GROUP LTD-SPONSORED ADR	-	5,940	-	(5,940)	-
ILLUMINA INC	-	309	-	-	309
JD.COM INC-ADR	-	8,202	-	(8,202)	-
KANZHUN LTD-SPONSORED ADR	-	4,020	-	(4,020)	-
KE HLDGS INC-SPONSORED ADR	5,417	-	-	(5,417)	-
META PLATFORMS INC-CL A	3,330	1,869	-	(600)	4,599
MICROSOFT CORP	836	786	-	(846)	776
MINISO GROUP HLDG LTD-SPONSORED ADR	33,823	14,076	-	(47,899)	-
NVIDIA CORP	-	889	-	-	889
PINDUODUO INC-SPONSORED ADR	-	8,300	-	(8,300)	-
RLX TECHNOLOGY INC-SPONSORED ADR	-	3,222	-	(3,222)	-
ROBLOX CORP-CL A	-	8,086	-	-	8,086
TAL EDUCATION GROUP-ADR	7,868	-	-	(7,868)	-
TRIP.COM GROUP LTD-ADR	-	34,567	-	(16,296)	18,271
TUYA INC-SPONSORED ADR	-	33,201	-	(33,201)	-
UNITY SOFTWARE INC	-	1,742	-	-	1,742
WATERDROP INC-ADR	-	30,000	-	(30,000)	-
	86,718	226,238	-	(278,284)	34,672

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

INVESTMENT PORTFOLIO (UNAUDITED)

31 December 2021

	Holding/ Nominal Value	Market Value HKD	% of net asset
Listed investments			
Denominated in RMB			
<u>Equity Securities</u>			
<u>CHINA</u>			
ESTUN AUTOMATION CO LTD-A	90,937	2,896,673	0.72%
GOERTEK INC-A	406,150	26,971,508	6.68%
HANG ZHOU GREAT STAR INDUSTRIAL CO LTD-A	126,000	4,718,829	1.17%
HANGZHOU FIRST APPLIED MATERIAL CO LTD-A	13,640	2,185,812	0.54%
LONGI GREEN ENERGY TECHNOLOGY CO LTD-A	77,000	8,147,409	2.02%
NINGBO TUOPU GROUP CO LTD-A	128,400	8,353,383	2.07%
SANY HEAVY INDUSTRY CO LTD-A	477,200	13,355,396	3.31%
SG MICRO CORP-A	7,800	2,958,521	0.73%
SHANGHAI LIANGXIN ELECTRICAL CO LTD-A	177,000	3,871,707	0.96%
SHENZHEN INOVANCE TECHNOLOGY CO LTD-A	66,250	5,578,681	1.38%
SUNGROW POWER SUPPLY CO LTD-A	35,400	6,335,520	1.57%
SUZHOU MAXWELL TECHNOLOGIES CO LTD-A	28,700	22,627,747	5.60%
TONGWEI CO LTD-A	91,800	5,066,295	1.25%
WENS FOODSTUFFS GROUP CO LTD-A	317,504	7,506,318	1.86%
WILL SEMICONDUCTOR LTD-A	38,791	14,797,610	3.66%
WUHAN DR LASER TECHNOLOGY CORP LTD-A	12,600	3,957,877	0.98%
ZHEJIANG CHINT ELECTRICS CO LTD-A	128,600	8,506,887	2.11%
ZHEJIANG JINGSHENG MECHANICAL & ELECTRICAL CO LTD-A	40,500	3,455,105	0.86%
	2,264,272	151,291,278	37.44%
Denominated in HKD			
<u>Equity Securities</u>			
<u>Hong Kong</u>			
ALIBABA GROUP HLDG LTD	123,300	14,660,370	3.63%
ANTA SPORTS PRODUCTS LTD	64,800	7,575,120	1.87%
AVICHINA INDUSTRY & TECHNOLOGY CO LTD-H	1,163,000	6,268,570	1.55%
BAIDU INC-SW	42,700	6,174,420	1.53%
BRONCUS HLDG CORP	387,000	3,483,000	0.86%
CHINA BIOTECH SERVICES HLDGS LTD	1,820,000	2,511,600	0.62%
CHINA MERCHANTS BANK CO LTD-H	192,500	11,655,875	2.88%
COUNTRY GARDEN SERVICES HLDGS CO LTD	80,000	3,736,000	0.92%
COWELL E HLDGS INC	376,000	4,940,640	1.22%
DONGYUE GROUP LTD	321,000	3,903,360	0.97%
FUYAO GLASS INDUSTRY GROUP CO LTD-H	248,800	10,026,640	2.48%
HELENS INTL HLDGS CO LTD	234,000	4,417,920	1.09%
JINKE SMART SERVICES GROUP CO LTD-H	388,100	13,175,995	3.26%
JIUMAOJIU INTL HLDGS LTD	558,000	7,644,600	1.89%
KINGDEE INTL SOFTWARE GROUP CO LTD	265,000	6,360,000	1.57%
LI NING CO LTD	135,000	11,522,250	2.85%
MEITUAN-CLASS B	57,700	13,005,580	3.22%
SSY GROUP LTD	1,348,000	5,418,960	1.34%
SUNAC CHINA HLDGS LTD	1,290,000	15,196,200	3.76%
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	47,000	11,590,200	2.87%
TENCENT HLDGS LTD	60,700	27,727,760	6.85%
WUXI BIOLOGICS CAYMAN INC	50,000	4,627,500	1.15%
XPENG INC	72,800	13,562,640	3.36%
ZHUZHOU CRRC TIMES ELECTRIC CO LTD-H	90,300	4,077,045	1.01%
ZIJIN MINING GROUP CO LTD-H	906,000	8,407,680	2.08%
	10,321,700	221,669,925	54.86%

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

INVESTMENT PORTFOLIO (UNAUDITED)

31 December 2021

	Holding/ Nominal Value	Market Value HKD	% of net asset
Listed investments (continued)			
Denominated in USD			
<u>Equity Securities</u>			
United States			
UNITY SOFTWARE INC	1,742	1,942,268	0.48%
TRIP.COM GROUP LTD-ADR	18,271	3,507,565	0.87%
ROBLOX CORP-CL A	8,086	6,504,298	1.61%
NVIDIA CORP	889	2,038,764	0.50%
MICROSOFT CORP	776	2,035,025	0.50%
META PLATFORMS INC-CL A	4,599	12,061,747	2.99%
ILLUMINA INC	309	916,644	0.23%
	<hr/> 34,672	<hr/> 29,006,311	<hr/> 7.18%

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

INVESTMENT PORTFOLIO (UNAUDITED) (continued)

31 December 2021

TOTAL NET ASSETS

Denominated in HKD

Total listed investments	401,967,514	99.48%
Other net assets	<u>2,097,025</u>	0.52%
Total net assets as at 31 December 2021	<u>404,064,539</u>	100.00
Total investments, at cost	<u><u>400,176,654</u></u>	

Note: Investments are accounted for on a trade-date basis.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

PERFORMANCE TABLE (UNAUDITED)

31 December 2021

Net asset value ("NAV") attributable to unitholders
(Calculated in accordance with the Trust Deed)

Net assets attributable to holders of redeemable units per unit

Year	NAV of the Sub-Fund (HKD)	Class I- HKD-ACC units (HKD)	Class I-USD- ACC units (USD)	Class I- HKD-DIST units (HKD)	Class A- HKD-ACC units (HKD)	Class A- USD-ACC units (USD)	Class A- HKD-DIST units (HKD)	Class A- USD- DIST units (USD)	Class A- RMB- ACC units (CNY)
2021	404,030,681	20.818	16.663	-	18.726	18.712	14.298	14.340	8.551
2020	333,986,575	22.508	18.121	-	20.399	20.503	16.041	16.183	-
2019	187,649,563	13.746	11.017	-	12.551	12.559	10.152	10.195	-

Lowest issue price per unit

Year	Class I- HKD-ACC units (HKD)	Class I- USD-ACC units (USD)	Class I- HKD-DIST units (HKD)	Class A- HKD-ACC units (HKD)	Class A- USD-ACC units (USD)	Class A- HKD-DIST units (HKD)	Class A- USD-DIST units (USD)
2021	19.824	15.863	-	17.836	17.818	13.652	13.689
2020	10.987	8.842	-	10.015	10.062	8.060	8.126
2019	10.611	8.454	-	9.761	9.710	8.131	8.117
2018	10.541	8.385	-	9.710	9.643	8.153	8.127
2017	9.915	10.000	10.000	9.998	9.987	9.996	9.993

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

PERFORMANCE TABLE (UNAUDITED) (continued)

31 December 2021

Net asset value ("NAV") attributable to unitholders (continued)
(Calculated in accordance with the Trust Deed)

Highest redemption price per unit

Year	Class I- HKD-ACC units (HKD)	Class I- USD-ACC units (USD)	Class I- HKD-DIST units (HKD)	Class A- HKD-ACC units (HKD)	Class A- USD-ACC units (USD)	Class A- HKD-DIST units (HKD)	Class A- USD-DIST units (USD)
2021	27.305	21.981	-	24.721	24.846	19.397	19.568
2020	22.508	18.121	-	20.399	20.503	16.041	16.183
2019	13.838	11.092	-	12.636	12.645	10.312	10.289
2018	15.600	12.453	-	14.452	14.403	12.417	12.421
2017	14.568	11.641	10.255	13.514	13.481	11.667	11.684

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND
(a sub-fund of Taikang Kaitai Funds)

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

Below is the summary of gross exposure and net derivative exposure arising from the use of financial derivative instruments for the years ended 31 December 2021 and 31 December 2020.

For the year ended 31 December 2021

	Lowest	Highest	Average
Gross exposure	0.00%	18.64%	5.42%
Net derivative exposure	0.00%	0.00%	0.00%

For the year ended 31 December 2020

	Lowest	Highest	Average
Gross exposure	0.00%	21.15%	2.19%
Net derivative exposure	0.00%	0.00%	0.00%