

ANNUAL REPORT

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
(A SUB-FUND OF SAMSUNG ETFS TRUST II)

For the year ended 31 March 2024

And

SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(A SUB-FUND OF SAMSUNG ETFS TRUST II)

For the year ended 31 March 2024

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUNDS OF SAMSUNG ETFS TRUST II)

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SAMSUNG CSI CHINA DRAGON INTERNET ETF  
SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUNDS OF SAMSUNG ETFS TRUST II)

## MANAGEMENT AND ADMINISTRATION

### MANAGER

Samsung Asset Management (Hong Kong) Limited  
Units 301-2, 3rd Floor  
Agricultural Bank of China Tower  
50 Connaught Road  
Central  
Hong Kong

### TRUSTEE

Cititrust Limited  
50/F, Champion Tower  
Three Garden Road  
Central  
Hong Kong

### ADMINISTRATOR AND CUSTODIAN

Citibank, N.A., Hong Kong Branch  
50/F, Champion Tower  
Three Garden Road  
Central  
Hong Kong

### LISTING AGENT

Altus Capital Limited  
21 Wing Wo Street  
Central  
Hong Kong

### LEGAL COUNSEL TO THE MANAGER

Simmons & Simmons  
30/F, One Taikoo Place  
979 King's Road  
Hong Kong

### DIRECTORS OF THE MANAGER

KIM Young June (resigned on 15 January 2024)  
KIM Minseok (resigned on 19 March 2024)  
PARK Sungjin  
YU Jin Whoan (appointed on 15 January 2024)  
LEE Boyoung (appointed on 19 March 2024)

### CONVERSION AGENT OR SERVICE AGENT

HK Conversion Agency Services Limited  
8th Floor, Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

### REGISTRAR

Tricor Investor Services Limited  
22/F, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### AUDITOR

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

### PARTICIPATING DEALERS

*Please refer to the Manager's website ([www.samsungetfhk.com](http://www.samsungetfhk.com)) for the latest lists of Market Makers and Participating Dealers for each of the Products.*

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUNDS OF SAMSUNG ETFS TRUST II)

REPORT OF THE MANAGER TO THE UNITHOLDERS

The Samsung ETFs Trust II ("the Trust") is an umbrella unit trust established under Hong Kong law by a trust deed dated 17 May 2018, as amended and restated on 31 December 2019 ("the Trust Deed") between Samsung Asset Management (Hong Kong) Limited ("the Manager") and Cititrust Limited ("the Trustee"). The Trust has two sub-funds which are exchange traded funds, Samsung CSI China Dragon Internet ETF and Samsung S&P High Dividend APAC ex NZ REITs ETF.

**Samsung CSI China Dragon Internet ETF and Samsung S&P High Dividend APAC ex NZ REITs ETF**

The units of the Samsung CSI China Dragon Internet ETF and Samsung S&P High Dividend APAC ex NZ REITs ETF ("the Sub-Funds") are listed on The Stock Exchange of Hong Kong Limited. Samsung CSI China Dragon Internet ETF commenced trading in Hong Kong dollars under stock code 2812 on 20 June 2018. Effective from 16 June 2020, USD counter is added under stock code 9812 which commenced trading in US dollars. Samsung S&P High Dividend APAC ex NZ REITs ETF commenced trading in Hong Kong dollars under stock code 3187 and commenced trading in US dollars under stock code 9187 on 15 October 2020. The Sub-Funds are passively-managed exchange traded fund ("ETF") falling under Chapter 8.6 of the Hong Kong Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission.

The Sub-Funds are physical ETF which invests directly in the constituent securities of the CSI Global China Internet Index and the S&P High Yield Asia Pacific-Ex New Zealand REITs Select Index. The CSI Global China Internet Index is a free float market capitalisation weighted index which is designed to track the overall performance of Chinese companies which are listed (in the PRC or overseas) and whose primary business or businesses are focused on internet and internet-related technology. The S&P High Yield Asia Pacific-Ex New Zealand REITs Select Index is a free float market capitalisation weighted index which measures the performance of 30 of the highest dividend-yielding REITs in the S&P Asia Pacific REIT Index excluding those domiciled in New Zealand. The Index includes constituents domiciled in Singapore, Hong Kong, Australia, Japan and South Korea.

For the statement of financial position as at 31 March 2024, net asset value per unit of Samsung CSI China Dragon Internet ETF was HK\$9.2546 and there were 13,200,000 units outstanding. The net asset value was HK\$122,160,821.

For the statement of financial position as at 31 March 2024, net asset value per unit of Samsung S&P High Dividend APAC ex NZ REITs ETF was US\$2.0269, and there were 7,000,000 units outstanding. The net asset value was US\$14,188,601.



For and on behalf of  
Samsung Asset Management (Hong Kong) Limited

30 JUL 2024

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUNDS OF SAMSUNG ETFS TRUST II)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of the Samsung CSI China Dragon Internet ETF and Samsung S&P High Dividend APAC ex NZ REITs ETF (the "Sub-Funds") has, in all material respects, managed the Sub-Funds in accordance with the provisions of the trust deed dated 17 May 2018, as amended and restated by the trust deed dated 31 December 2019, for the year ended 31 March 2024.

For the year ended 31 March 2024:

- Samsung CSI China Dragon Internet ETF
- Samsung S&P High Dividend APAC ex NZ REITs ETF

On behalf of  
Cititrust Limited



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30 JUL 2024

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUNDS OF SAMSUNG ETFS TRUST II)

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER'S RESPONSIBILITIES

The Manager of Samsung CSI China Dragon Internet ETF and Samsung S&P High Dividend APAC ex NZ REITs ETF (the "Sub-Funds") is required by the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission and the trust deed dated 17 May 2018, as amended and restated on 31 December 2019 (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Funds at the end of that year and of the transactions for the year then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-Funds will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Sub-Funds in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities in relation to the Sub-Funds.

Samsung ETFs Trust II (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 March 2024, the Trust has established with two sub-funds, Samsung CSI China Dragon Internet ETF and Samsung S&P High Dividend APAC ex NZ REITs ETF.

TRUSTEE'S RESPONSIBILITIES

The Trustee of the Sub-Funds is required to:

- ensure that the Sub-Funds in all material respects are managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Funds and rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not managing the Sub-Funds in accordance with the Trust Deed.



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979 King's Road  
Quarry Bay, Hong Kong

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## Independent auditor's report

To the unitholders of  
**Samsung CSI China Dragon Internet ETF and  
Samsung S&P High Dividend APAC ex NZ REITs ETF  
(Sub-funds of Samsung ETFs Trust II)**

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Samsung CSI China Dragon Internet ETF and Samsung S&P High Dividend APAC ex NZ REITs ETF (collectively the "Sub-Funds") of Samsung ETFs Trust II set out on pages 10 to 41, which comprise the statements of financial position as at 31 March 2024, and the statements of profit or loss and other comprehensive income, the statements of changes in net assets attributable to unitholders and the statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Funds as at 31 March 2024, and of their financial transactions and cash flows for the year 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-Funds 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.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



**Independent auditor's report** (continued)

**To the unitholders of  
Samsung CSI China Dragon Internet ETF and  
Samsung S&P High Dividend APAC ex NZ REITs ETF  
(Sub-funds of Samsung ETFs Trust II)**

**Key audit matters** (continued)

Key audit matter	How our audit addressed the key audit matter
<b><i>Existence and valuation of financial assets at fair value through profit or loss</i></b>	
<p>As at 31 March 2024, the financial assets at fair value through profit or loss were valued at HK\$121,683,622, which represented more than 99% of the net asset value of Samsung CSI China Dragon Internet ETF.</p> <p>The financial assets at fair value through profit and loss of the Samsung CSI China Dragon Internet ETF represented listed shares comprising 30 constituent securities of CSI Global China Internet Index as at 31 March 2024.</p> <p>As at 31 March 2024, the financial assets at fair value through profit or loss were valued at US\$14,216,933, which represented more than 100% of the net asset value of Samsung S&amp;P High Dividend APAC ex NZ REITs ETF.</p> <p>The financial assets at fair value through profit and loss of the Samsung S&amp;P High Dividend APAC ex NZ REITs ETF represented listed shares comprising 30 constituent securities of S&amp;P High Yield Asia Pacific-Ex New Zealand REITs Select Index as at 31 March 2024.</p> <p>We focused on this area because the financial assets at fair value through profit or loss represented the principal element of the financial statements.</p> <p>Disclosures in respect of the financial assets and financial liabilities at fair value through profit or loss are set out in the material accounting policy information and notes 10 to the financial statements.</p>	<p>The procedures we performed to address the key audit matter for each of the Sub-Fund included:</p> <ul style="list-style-type: none"> <li>• Obtained independent confirmations from the custodians of the financial assets at fair value through profit or loss held as at 31 March 2024 and agreed the quantity held to the accounting records of each Sub-Fund.</li> <li>• Obtained an understanding of the valuation process of financial assets at fair value through profit or loss.</li> <li>• Tested the valuation of all financial assets at fair value through profit or loss that were quoted in active markets by independently agreeing the valuation of financial assets to third-party sources at 31 March 2024.</li> <li>• Assessed the adequacy of the disclosures relating to financial assets at fair value through profit or loss in the financial statements.</li> </ul>





## **Independent auditor's report** (continued)

**To the unitholders of  
Samsung CSI China Dragon Internet ETF and  
Samsung S&P High Dividend APAC ex NZ REITs ETF  
(Sub-funds of Samsung ETFs Trust II)**

### **Other information included in the Annual Report**

The Manager and the Trustee 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.

### **Responsibilities of Manager and Trustee and those charged with governance for the financial statements**

The Manager and the Trustee of the Sub-Funds 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 Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Manager and the Trustee of the Sub-Funds are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 17 May 2018, as amended and restated on 31 December 2019 ("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 Securities and Futures Commission.

Those charged with governance are responsible for overseeing the Sub-Funds' financial reporting process.

## Independent auditor's report (continued)

To the unitholders of  
**Samsung CSI China Dragon Internet ETF and  
Samsung S&P High Dividend APAC ex NZ REITs ETF  
(Sub-funds of Samsung ETFs Trust II)**

### Auditor's responsibilities for the audit of the financial statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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-Funds 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.
- 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-Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.
- Conclude on the appropriateness of the Manager's and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Funds' 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-Funds 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.



**Independent auditor's report** (continued)

**To the unitholders of  
Samsung CSI China Dragon Internet ETF and  
Samsung S&P High Dividend APAC ex NZ REITs ETF  
(Sub-funds of Samsung ETFs Trust II)**

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

We communicate with those charge with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Au Chi Pang Ivan.

Certified Public Accountants  
Hong Kong

30 JUL 2024

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUNDS OF SAMSUNG ETFS TRUST II)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	<u>Samsung CSI China Dragon Internet ETF</u>		<u>Samsung S&amp;P High Dividend APAC ex NZ REITS ETF</u>	
		Year ended 31 March 2024 HK\$	Year ended 31 March 2023 HK\$	Year ended 31 March 2024 US\$	Year ended 31 March 2023 US\$
<b>INCOME</b>					
Dividend income		944,823	696,585	859,588	1,071,993
Bank interest income	4	60	93	4,447	2,595
Net (losses)/gains on financial assets at fair value through profit or loss		(24,607,060)	1,173,956	(945,066)	(4,306,477)
Net foreign exchange losses		(5,942)	(14,929)	(35,534)	(49,580)
<b>Net (expense)/income</b>		<u>(23,668,119)</u>	<u>1,855,705</u>	<u>(116,565)</u>	<u>(3,281,469)</u>
<b>EXPENSES</b>					
Management fee	4	(833,421)	(972,645)	(104,768)	(128,768)
Trustee fee	4	(224,360)	(252,173)	(30,000)	(34,060)
Safe custody and bank charges	4	(5,925)	(6,405)	(947)	(957)
Establishment cost	8	-	-	-	(18,019)
Auditor's remuneration		(119,089)	(95,548)	(11,887)	(11,865)
Legal and professional fees	4	(231,674)	(248,942)	(35,168)	(36,654)
Transaction costs	11	(30,967)	(118,162)	(7,615)	(21,486)
Interest expense		(260)	-	-	-
Other operating expenses		(186,700)	(219,554)	(21,820)	(21,705)
		<u>(1,632,396)</u>	<u>(1,913,429)</u>	<u>(212,205)</u>	<u>(273,514)</u>
<b>LOSS BEFORE TAX</b>		<u>(25,300,515)</u>	<u>(57,724)</u>	<u>(328,770)</u>	<u>(3,554,983)</u>
WITHHOLDING TAX ON DIVIDEND	5	<u>(7,091)</u>	<u>(6,914)</u>	<u>(74,628)</u>	<u>(98,865)</u>
<b>LOSS AFTER TAX AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>(25,307,606)</u></u>	<u><u>(64,638)</u></u>	<u><u>(403,398)</u></u>	<u><u>(3,653,848)</u></u>

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUNDS OF SAMSUNG ETFS TRUST II)

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	Samsung CSI China Dragon Internet ETF		Samsung S&P High Dividend APAC ex NZ REITs ETF	
		2024 HK\$	2023 HK\$	2024 US\$	2023 US\$
<b>ASSETS</b>					
Financial assets at fair value through profit or loss	10	121,683,622	146,777,904	14,216,933	16,528,998
Due from a broker		-	-	-	84,724
Dividend receivable		29,763	-	42,134	65,539
Prepayments		11,723	11,723	16,308	14,808
Due from Manager	4	-	-	500	-
Bank balances	4	873,437	998,286	39,792	115,041
<b>Total assets</b>		<u>122,598,545</u>	<u>147,787,913</u>	<u>14,315,667</u>	<u>16,809,110</u>
<b>LIABILITIES</b>					
Due to a broker		-	-	40	87,834
Management fee payable	4	67,207	78,211	8,309	9,249
Trustee fee payable	4	15,903	15,997	2,152	2,153
Establishment costs payable	4	22,440	38,070	76,410	115,259
Accrued expenses and other payables		332,174	187,208	40,155	25,801
<b>Total liabilities</b>		<u>437,724</u>	<u>319,486</u>	<u>127,066</u>	<u>240,296</u>
<b>Net assets attributable to unitholders</b>	8	<u>122,160,821</u>	<u>147,468,427</u>	<u>14,188,601</u>	<u>16,568,814</u>

The financial statements on pages 10 to 41 were approved by the Manager on  
signed on their behalf by:

30 JUL 2024

and are

李寶英

MANAGER  
SAMSUNG ASSET MANAGEMENT  
(HONG KONG) LIMITED

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUNDS OF SAMSUNG ETFS TRUST II)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE YEAR ENDED 31 MARCH 2024

	Note	<u>Samsung CSI China Dragon Internet ETF</u> HK\$
Balance as at 1 April 2022		153,333,859
Loss after tax and total comprehensive income for the year		(64,638)
Subscription of units	8	16,725,075
Redemption of units	8	(22,525,869)
		<u>(5,800,794)</u>
Balance as at 31 March 2023 and 1 April 2023		147,468,427
Loss after tax and total comprehensive income for the year		(25,307,606)
Balance as at 31 March 2024		<u><u>122,160,821</u></u>

  

	Notes	<u>Samsung S&amp;P High Dividend APAC ex NZ REITs ETF</u> US\$
Balance as at 1 April 2022		29,547,220
Loss after tax and total comprehensive income for the year		(3,653,848)
Distributions to unitholders	9	(924,000)
Subscription of units	8	4,216,899
Redemption of units	8	(12,617,457)
		<u>(8,400,558)</u>
Balance as at 31 March 2023 and 1 April 2023		16,568,814
Loss after tax and total comprehensive income for the year		(403,398)
Distributions to unitholders	9	(754,700)
Subscription of units	8	3,269,505
Redemption of units	8	(4,491,620)
		<u>(1,222,115)</u>
Balance as at 31 March 2024		<u><u>14,188,601</u></u>

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUNDS OF SAMSUNG ETFS TRUST II)

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

FOR THE YEAR ENDED 31 MARCH 2024

The following is the subscription/(redemption) in the respective Sub-Funds:

		<u>Samsung CSI China Dragon Internet ETF</u>		<u>Samsung S&amp;P High Dividend APAC ex NZ REITs ETF</u>	
		Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Number of units in issue at the beginning of the year		13,200,000	14,100,000	7,600,000	11,000,000
Units issued	8	-	1,500,000	1,600,000	1,800,000
Units redeemed	8	-	(2,400,000)	(2,200,000)	(5,200,000)
Number of units in issue at end of the year		<u>13,200,000</u>	<u>13,200,000</u>	<u>7,000,000</u>	<u>7,600,000</u>

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUNDS OF SAMSUNG ETFS TRUST II)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	<u>Samsung CSI China Dragon</u> <u>Internet ETF</u>		<u>Samsung S&amp;P High Dividend</u> <u>APAC ex NZ REITs ETF</u>	
		Year ended 31 March 2024 HK\$	Year ended 31 March 2023 HK\$	Year ended 31 March 2024 US\$	Year ended 31 March 2023 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Loss before tax		(25,300,515)	(57,724)	(328,770)	(3,554,983)
Adjustments for:					
Dividend income		(944,823)	(696,585)	(859,588)	(1,071,993)
Bank interest income		(60)	(93)	(4,447)	(2,595)
Operating cash flows before movements in working capital		(26,245,398)	(754,402)	(1,192,805)	(4,629,571)
Decrease in financial assets at fair value through profit or loss		25,094,282	5,893,517	2,312,065	12,928,360
Decrease/(increase) in due from Manager		-	1,639	(500)	-
Decrease/(increase) in due from a broker		-	-	84,724	(84,724)
Increase in prepayments		-	-	(1,500)	(14,808)
(Decrease)/increase in due to a broker		-	-	(87,794)	87,833
Decrease in management fee payable		(11,004)	(4,476)	(940)	(6,742)
(Decrease)/increase in trustee fee payable		(94)	49	(1)	(306)
Decrease in establishment costs payable		(15,630)	(278,609)	(38,849)	(22,208)
Increase in accrued expenses and other payables		144,966	2,177	14,354	4,522
Cash (used in)/generated from operations		(1,032,878)	4,859,895	1,088,754	8,262,356
Dividend income received		907,969	699,817	808,365	1,035,861
Bank interest income received		60	93	4,447	2,595
<b>NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>		<b>(124,849)</b>	<b>5,559,805</b>	<b>1,901,566</b>	<b>9,300,812</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from subscription of units	8	-	16,725,075	3,269,505	4,216,899
Payments on redemption of units	8	-	(22,525,869)	(4,491,620)	(12,617,457)
Distributions paid to unitholders	9	-	-	(754,700)	(924,000)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>-</b>	<b>(5,800,794)</b>	<b>(1,976,815)</b>	<b>(9,324,558)</b>



SAMSUNG CSI CHINA DRAGON INTERNET ETF  
SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUNDS OF SAMSUNG ETFS TRUST II)

STATEMENTS OF CASH FLOWS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	<u>Samsung CSI China Dragon Internet</u> <u>ETF</u>		<u>Samsung S&amp;P High Dividend APAC ex</u> <u>NZ REITs ETF</u>	
		Year ended 31 March 2024 HK\$	Year ended 31 March 2023 HK\$	Year ended 31 March 2024 US\$	Year ended 31 March 2023 US\$
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(124,849)	(240,989)	(75,249)	(23,746)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		998,286	1,239,275	115,041	138,787
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<u>873,437</u>	<u>998,286</u>	<u>39,792</u>	<u>115,041</u>
<b>Analysis of balances of cash and cash equivalents:</b>					
Bank balances	4	<u>873,437</u>	<u>998,286</u>	<u>39,792</u>	<u>115,041</u>

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUNDS OF SAMSUNG ETFS TRUST II)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

**1. GENERAL**

Samsung CSI China Dragon Internet ETF and Samsung S&P High Dividend APAC ex NZ REITs ETF (collectively the "Sub-Funds"), sub-funds of Samsung ETFs Trust II (the "Trust"), is established under a trust deed dated 17 May 2018, as amended and restated on 31 December 2019 (the "Trust Deed"), and governed by the laws of Hong Kong. The Trust and the Sub-Funds are authorised under Section 104 of the Hong Kong Securities and Futures Ordinance (the "SFO") and the Sub-Funds are falling under Chapter 8.6 of the Hong Kong Code on Unit Trusts and Mutual Funds (the "SFC Code").

The date of commencement of operations of the Samsung CSI China Dragon Internet ETF is 13 June 2018. The Sub-Fund has been listed on The Stock Exchange of Hong Kong Limited since 20 June 2018. The investment objective of Samsung CSI China Dragon Internet ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the CSI Global China Internet Index.

On 6 October 2020, the Trust established a new sub-fund Samsung S&P High Dividend APAC ex NZ REITs ETF. The investment objective of the sub-fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the S&P High Yield Asia Pacific-Ex New Zealand REITs Select Index. The date of commencement of operations is 12 October 2020 and listed on the Stock Exchange of Hong Kong on 15 October 2020.

The investment activities of the Trust are managed by Samsung Asset Management (Hong Kong) Limited (the "Manager") and the trustee of the Trust is Cititrust Limited (the "Trustee").

The financial statements of the Samsung CSI China Dragon Internet ETF and Samsung S&P High Dividend APAC ex NZ REITs ETF are presented in Hong Kong dollars ("HK\$") and United States dollars ("US\$") respectively, which is also the functional currencies of the Sub-Funds. The Manager considers HK\$ and US\$, respectively, as the currencies that most faithfully represents the primary economic environment in which Samsung CSI China Dragon Internet ETF and Samsung S&P High Dividend APAC ex NZ REITs ETF operate and the economic effects of the underlying transactions, events and conditions. All values are rounded to the nearest dollar, except when otherwise indicated.

The Manager will primarily use a full replication strategy through investing directly in constituent stocks of the CSI Global China Internet Index for and S&P High Yield Asia Pacific-Ex New Zealand REITs Select Index (collectively, the "Indices") in substantially the same weightings in which they are included in the Indices. The Sub-Funds may invest in (including but not limited to) the following PRC-related securities: A-Shares, H-Shares, N-Shares, P-Chips and Red Chips. The Sub-Funds will invest in A-Shares included in the Index through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively the "Stock Connect"). The Manager may invest up to 100% of the net asset value of the Sub-Funds through the Stock Connect. The Sub-Funds may also invest in money market funds and in cash deposits for cash management purposes although such investments are not anticipated to exceed 5% of the net asset value of the Sub-Funds.

These financial statements are in respect of Samsung CSI China Dragon Internet ETF and Samsung S&P High Dividend APAC ex NZ REITs ETF on a standalone basis.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

**2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")**

Changes in accounting policies and disclosures

The Sub-Funds have adopted the following new and revised IFRSs, which are applicable to the Sub-Funds for the first time in the current year's financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>

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

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide 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 have had an impact on the Sub-Funds' disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Sub-Funds' financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Sub-Funds' financial statements.

Standards issued but not yet effective

The Sub-Funds have not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current ( <i>the "2020 Amendments"</i> )
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Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

**2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (CONTINUED)**

Amendments to IAS 1: Classification of Liabilities as Current or Non-current (continued)

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024 and shall be applied retrospectively. Early adoption is permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Sub-Funds are currently accessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Sub-Funds' financial statements.

**3. MATERIAL ACCOUNTING POLICIES**

Statement of compliance

The financial statements of the Sub-Funds have been prepared in accordance with IFRSs, the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code issued by the Securities and Futures Commission.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. For the purpose of preparation of the financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

**3. MATERIAL ACCOUNTING POLICIES (continued)**

Fair value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Sub-Funds take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Sub-Funds become a party to the contractual provisions of the instruments.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income and dividend income which are derived from the Sub-Funds' ordinary course of business are presented as revenue.

Dividend income from financial assets at FVTPL is recognised in the statement of comprehensive income when the Sub-Funds' right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

**3. MATERIAL ACCOUNTING POLICIES (continued)**

Financial instruments (continued)

**Financial assets**

*Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets of the Sub-Funds are subsequently measured at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Sub-Funds manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

*Amortised cost and interest income*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

*Financial assets at FVTPL*

Financial assets of the Sub-Funds that do not meet the criteria for being measured at amortised cost are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "net gains/(losses) on financial assets at fair value through profit or loss" line item.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

**3. MATERIAL ACCOUNTING POLICIES (continued)**

Financial instruments (continued)

**Financial assets (continued)**

*Impairment of financial assets*

The Sub-Funds recognise a loss allowance for expected credit loss ("ECL") on financial assets including bank balances, due from a broker, dividend receivable and due from Manager which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Sub-Funds' historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For bank balances, due from a broker, dividend receivable and due from Manager, the Sub-Funds measure the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition in which case, the Sub-Funds recognise lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Sub-Funds compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Sub-Funds consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the Sub-Funds presume that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Sub-Funds have reasonable and supportable information that demonstrates otherwise.

The Sub-Funds regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

**3. MATERIAL ACCOUNTING POLICIES (continued)**

Financial instruments (continued)

**Financial assets (continued)**

*Impairment of financial assets (continued)*

(ii) Definition of default

For internal credit risk management, the Sub-Funds consider an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Sub-Funds, in full.

Irrespective of the above, the Sub-Funds consider that default has occurred when a financial asset is more than 90 days past due unless the Sub-Funds have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (d) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Sub-Funds write off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Sub-Funds' recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Sub-Funds in accordance with the contract and the cash flows that the Sub-Funds expect to receive, discounted at the effective interest rate determined at initial recognition.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

**3. MATERIAL ACCOUNTING POLICIES (continued)**

Financial instruments (continued)

**Financial assets (continued)**

*Impairment of financial assets* (continued)

(v) Measurement and recognition of ECL

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Sub-Funds recognise an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

*Derecognition of financial assets*

The Sub-Funds derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

**Financial liabilities and equity**

Debts and units issued by the Sub-Funds are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity. Puttable financial instruments include contractual obligations for the Sub-Funds to repurchase or redeem the related instruments for cash or another financial asset on exercise of the put. As an exception to the definition of financial liability, a unit which includes such obligation is classified as equity if the unit has all the following features:

- it entitles the holder to a pro rata share of the Sub-Funds' net assets in the event of the Sub-Funds' liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinated to all other classes of instruments have identical features;
- apart from the contractual obligation for the Sub-Funds to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds over the life of the instrument.

NOTES TO THE FINANCIAL STATEMENTS

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

Financial instruments (continued)

**Financial liabilities and equity (continued)**

In addition to the redeemable units meeting all of the above conditions, the Sub-Funds must have no other financial instrument or contract that has:

- total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds; and
- the effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Sub-Funds' redeemable units meet these conditions and are classified as equity. Units issued by the Sub-Funds are recognised at the proceeds received, net of direct issue costs, if any.

*Other financial liabilities*

Other financial liabilities including due to a broker, management fee payable, trustee fee payable, establishment costs payable and accrued expenses and other payables are subsequently measured at amortised cost, using the effective interest method.

*Derecognition of financial liabilities*

The Sub-Funds derecognise a financial liability when, and only when, the Sub-Funds' obligation is discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and bank deposits with original maturities of three months or less.

Due from and due to a broker

Due to a broker is payable for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Due from a broker includes cash held with broker and receivable for securities that have been contracted for, but not yet delivered, on the reporting date.

Expenses

All expenses are recognised in statement of comprehensive income on an accrual basis.

Establishment costs

Establishment costs are recognised as an expense in the period in which they are incurred.

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NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

**3. MATERIAL ACCOUNTING POLICIES (continued)**

Distributions to unitholders

Distributions are at the discretion of the Sub-Funds. A distribution to the Sub-Funds' unitholders is accounted for as a deduction from net assets attributable to unitholders. A distribution is recognised as a liability in the period in which it is approved by the Manager.

Subscriptions and redemptions

Subscriptions and redemptions of units are recognised on the dealing date on which the subscription application or redemption application is received and accepted.

Foreign currencies

Foreign currency transactions during the year/period are translated into the functional currency of the Sub-Funds at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into the functional currency of the Sub-Funds at the foreign exchange rates ruling at the reporting date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in profit or loss.

Foreign currency exchange differences relating to monetary items are presented separately in statement of comprehensive income.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

**3. MATERIAL ACCOUNTING POLICIES (continued)**

Related parties

A party is considered to be related to the Sub-Funds 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-Funds;
  - (ii) has significant influence over the Sub-Funds; or
  - (iii) is a member of the key management personnel of the Sub-Funds or of a parent of the Sub-Funds;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Sub-Funds 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-Funds 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-Funds or an entity related to the Sub-Funds;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(ii) has significant influence over the entity or (a)(iii) 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 a group of which it is a part, provides key management personnel services to the Sub-Funds or to the parent of the Sub-Funds.

Transaction costs

Transactions costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transactions costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

Taxation

No provision for Hong Kong Profits Tax has been made in the financial statements as the income of the Sub-Funds is exempt from taxation under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

In some jurisdiction, investment income and capital gains are subject to withholding tax deducted at the source of income. The Sub-Funds present the withholding tax separately from the gross investment income in the statements of profit and loss and other comprehensive income. For the purpose of the statements of cash flows, cash flows from investments are presented net of withholding taxes, when applicable.

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NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

**4. TRANSACTIONS WITH THE RELATED PARTIES/CONNECTED PERSONS**

The following is a summary of significant related party balances/transactions entered into during the years ended 31 March 2024 and 2023 between the Sub-Funds, the Manager (also a connected person), the Trustee and the holding company of the Trustee. Connected persons are defined in the SFC Code. All transactions entered into during the years ended 31 March 2024 and 2023 were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Funds do not have any other significant transactions with its related parties/connected person except for those disclosed below.

Management fee

Samsung Asset Management (Hong Kong) Limited, the Manager, is entitled to receive a management fee at 0.65% per annum on the net assets value of the Sub-Funds. The management fee is calculated and accrued as at each dealing day and payable in monthly in arrears. The management fee for the years ended 31 March 2024 and 2023 and the management fee payable as at 31 March 2024 and 2023 are as follows:

	<u>Samsung CSI China Dragon Internet ETF</u>		<u>Samsung S&amp;P High Dividend APAC ex NZ REITs ETF</u>	
	2024	2023	2024	2023
	HK\$	HK\$	US\$	US\$
Management fee	833,421	972,645	104,768	128,768
Management fee payable	67,207	78,211	8,309	9,249
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Trustee fee

Cititrust Limited, the Trustee, is entitled to receive a trustee fee at 0.10% per annum on the net assets value of the Sub-Funds, subject to a monthly minimum of US\$2,000. The trustee fee is calculated and accrued as at each dealing day and payable in monthly in arrears.

The trustee fee for the years ended 31 March 2024 and 2023 and the trustee fee payable as at 31 March 2024 and 2023 are as follows:

	<u>Samsung CSI China Dragon Internet ETF</u>		<u>Samsung S&amp;P High Dividend APAC ex NZ REITs ETF</u>	
	2024	2023	2024	2023
	HK\$	HK\$	US\$	US\$
Trustee fee	224,360	252,173	30,000	34,060
Trustee fee payable	15,903	15,997	2,152	2,153
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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**4. TRANSACTIONS WITH THE RELATED PARTIES/CONNECTED PERSONS (continued)**

Bank balances

All the cash at banks were maintained with a group company of the Trustee, i.e. Citibank N.A. ("Citibank"), which carry interests at normal commercial rates. The bank balances of the Sub-Funds held with Citibank as at 31 March 2024 and 2023, the related interest income, safe custody and bank charges on these bank balances during the years ended 31 March 2024 and 2023 are as follows:

	<u>Samsung CSI China Dragon Internet ETF</u>		<u>Samsung S&amp;P High Dividend APAC ex NZ REITs ETF</u>	
	2024 HK\$	2023 HK\$	2024 US\$	2023 US\$
Bank balances	873,437	998,286	39,792	115,041
Bank interest income	60	93	4,447	2,595
Safe custody and bank charges	5,925	6,405	947	957

Accounting and professional fees

The Sub-Funds have engaged the Trustee for accounting and professional services. The accounting and professional fees for the years ended 31 March 2024 and 2023 and the accounting and professional fees payable as at 31 March 2024 and 2023 are as follows:

	<u>Samsung CSI China Dragon Internet ETF</u>		<u>Samsung S&amp;P High Dividend APAC ex NZ REITs ETF</u>	
	2024 HK\$	2023 HK\$	2024 US\$	2023 US\$
Accounting and professional fees	78,370	78,553	10,000	10,000
Accounting and professional fees payable	78,264	39,042	25,000	15,000

Investments held by the Trustee's affiliates as a custodian

The investments deposited for Samsung CSI China Dragon Internet ETF with Citibank N.A., Hong Kong, the Trustee's affiliates, as at 31 March 2024 is HK\$121,683,622 (2023: HK\$146,777,904).

The investments deposited for Samsung S&P High Dividend APAC ex NZ REITs ETF with Citibank N.A., Hong Kong, the Trustee's affiliates, as at 31 March 2024 is US\$14,216,933 (2023: US\$16,528,998).

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**4. TRANSACTIONS WITH THE RELATED PARTIES/CONNECTED PERSONS (continued)**

Outstanding balances from/to the Manager

	<u>Samsung CSI China Dragon</u>		<u>Samsung S&amp;P High Dividend</u>	
	<u>Internet ETF</u>		<u>APAC ex NZ REITs ETF</u>	
	2024	2023	2024	2023
	HK\$	HK\$	US\$	US\$
Due from Manager	-	-	500	-
Establishment costs payable	22,440	38,070	76,410	115,259
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Due from Manager is arising from the unsettled rebate from the Manager on the transaction cost for creation of units.

Establishment costs payable is arising from the unsettled establishment cost paid by the Manager on behalf of the Sub-Funds.

**5. TAXATION**

No provision for Hong Kong Profits Tax has been made for the Sub-Funds as it is authorised as a collective investment scheme under Section 104 of the SFO and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance of Hong Kong.

Investment income and capital gains are subject to withholding tax ("WHT") in certain foreign jurisdictions and are subject to taxation at an applicable withholding tax rate for the year ended 31 March 2024 ranging between 0% to 30% (2023: 0% to 30%) in such jurisdictions. The Investment Manager has assessed the likelihood of the capital gain tax liability taking into account the prevailing law and ruling.

**6. SOFT COMMISSION ARRANGEMENTS**

The Manager confirms that there has been no soft commission arrangements existing during the years ended 31 March 2024 and 2023 in relation to directing transactions of the Sub-Funds through a broker or dealer.

**7. INVESTMENT LIMITATIONS AND PROHIBITIONS UNDER THE SFC CODE**

The SFC Code allows the Sub-Funds to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Funds' net asset value provided that:

- (a) the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the tracked index; and
- (b) the Sub-Funds' holding of any such constituent securities may not exceed their respective weightings in the tracked index, except where weightings are exceeded as a result of changes in the composition of the tracked index and the excess is only transitional and temporary in nature.

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**7. INVESTMENT LIMITATIONS AND PROHIBITIONS UNDER THE SFC CODE (continued)**

Constituent securities that account for more than 10% of the net asset value of the Sub-Funds as at year end are disclosed in the "Underlying index constituent stocks disclosure (unaudited)" on page 52 to 53.

**8. UNITS ISSUED AND REDEEMED**

	<u>Samsung CSI China Dragon Internet ETF</u>		<u>Samsung S&amp;P High Dividend APAC ex NZ REITs ETF</u>	
	Year ended 31 March 2024 Units	Year ended 31 March 2023 Units	Year ended 31 March 2024 Units	Year ended 31 March 2023 Units
Number of units in issue at beginning of the year	13,200,000	14,100,000	7,600,000	11,000,000
Units issued	-	1,500,000	1,600,000	1,800,000
Units redeemed	-	(2,400,000)	(2,200,000)	(5,200,000)
Number of units in issue at end of the year	<u>13,200,000</u>	<u>13,200,000</u>	<u>7,000,000</u>	<u>7,600,000</u>
	<u>Samsung CSI China Dragon Internet ETF</u>		<u>Samsung S&amp;P High Dividend APAC ex NZ REITs ETF</u>	
	Year ended 31 March 2024 HK\$	Year ended 31 March 2023 HK\$	Year ended 31 March 2024 US\$	Year ended 31 March 2023 US\$
Subscription of units	-	16,725,075	3,269,505	4,216,899
Redemption of units	-	(22,525,869)	(4,491,620)	(12,617,457)
Net redemption of units at end of the year	<u>-</u>	<u>(5,800,794)</u>	<u>(1,222,115)</u>	<u>(8,400,558)</u>



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**8. UNITS ISSUED AND REDEEMED (continued)**

As disclosed in note 3 to the financial statements, establishment costs are expensed as incurred. However, establishment costs of Samsung CSI China Dragon Internet ETF and Samsung S&P High Dividend APAC ex NZ REITs ETF are required to be amortised over the first five financial years according to the provisions of the Trust's prospectus. Accordingly, the net assets attributable to unitholders reported in the financial statements was different from the net assets attributable to unitholders calculated under the accounting basis indicated in the Trust's prospectus.

A reconciliation of the net assets attributable to unitholders is provided below:

	<u>Samsung CSI China Dragon Internet ETF</u>		<u>Samsung S&amp;P High Dividend APAC ex NZ REITs ETF</u>	
	Year ended 31 March 2024 HK\$	Year ended 31 March 2023 HK\$	Year ended 31 March 2024 US\$	Year ended 31 March 2023 US\$
Net assets attributable to unitholders as reported in the statement of financial position	122,160,821	147,468,427	14,188,601	16,568,814
Adjustment for unamortised costs	-	16,127	69,664	97,157
Net assets value calculated under accounting basis indicated in the Trust's prospectus	<u>122,160,821</u>	<u>147,484,554</u>	<u>14,258,265</u>	<u>16,665,971</u>
Net assets attributable to unitholders per units as reported in statement of financial position	<u>9.2546</u>	<u>11.1719</u>	<u>2.0269</u>	<u>2.1801</u>
Net assets attributable to unitholders per unit calculated under accounting basis indicated in the Trust's prospectus	<u>9.2546</u>	<u>11.1731</u>	<u>2.0369</u>	<u>2.1929</u>

The establishment costs had been fully amortised for Samsung CSI China Dragon Internet ETF as of 31 March 2024 (2023: will be fully amortised in 1 year).

The establishment costs will be fully amortised in 1 year for Samsung S&P High Dividend APAC ex NZ REITs ETF as of 31 March 2024 (2023: will be fully amortised in 2 years).

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**9. DISTRIBUTIONS TO UNITHOLDERS**

Samsung Asset Management (Hong Kong) Limited, the Manager, may in its absolute discretion distribute income to unitholders annually/quarterly or determine that no distribution shall be made in the financial period. The amount to be distributed to unitholders, if any, may be paid out of capital or out of gross income while all or part of fees and expenses may be charged to capital at the Manager's discretion.

During the years ended 31 March 2024 and 2023, no distribution was made to the unitholders of Samsung CSI China Dragon Internet ETF.

The following table summarises the distributions made to the unitholders of Samsung S&P High Dividend APAC ex NZ REITs ETF for the years ended 31 March 2024 and 2023:

	Year ended 31 March 2024 US\$
Amount available for distribution as at 1 April 2023	-
Loss after tax and total comprehensive income for the year	(403,398)
Subtract: Unrealised gains on financial assets at fair value through profit or loss	<u>(328,586)</u>
	(731,984)
Distribution on 30 June 2023 at US\$0.0145 per unit	(113,100)
Distribution on 29 September 2023 at US\$0.037 per unit	(288,600)
Distribution on 29 December 2023 at US\$0.017 per unit	(132,600)
Distribution on 28 March 2024 at US\$0.029 per unit	(220,400)
Total distributions during the year	<u>(754,700)</u>
Transfer from capital	<u>1,486,684</u>
Undistributed income at end of the year	<u><u>-</u></u>

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**9. DISTRIBUTIONS TO UNITHOLDERS (continued)**

	Year ended 31 March 2023 US\$
Amount available for distribution as at 1 April 2022	1,228,406
Loss after tax and total comprehensive income for the period	(3,653,848)
Add: Unrealised losses on financial assets at fair value through profit or loss	<u>2,711,408</u>
	285,966
Distribution on 30 June 2022 at US\$0.0210 per unit	(180,600)
Distribution on 30 September 2022 at US\$0.0412 per unit	(329,600)
Distribution on 30 December 2022 at US\$0.0120 per unit	(98,400)
Distribution on 31 March 2023 at US\$0.0415 per unit	(315,400)
Total distributions during the year	<u>(924,000)</u>
Transfer from capital	<u>638,034</u>
Undistributed income at end of the year	<u><u>-</u></u>

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**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS**

Categories of financial instruments

	<u>Samsung CSI China Dragon</u>		<u>Samsung S&amp;P High Dividend APAC</u>	
	<u>Internet ETF</u>		<u>ex NZ REITs ETF</u>	
	2024	2023	2024	2023
	HK\$	HK\$	US\$	US\$
<b>Financial asset</b>				
FVTPL	121,683,622	146,777,904	14,216,933	16,528,998
Amortised cost	903,200	998,286	82,426	265,304
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Financial liabilities</b>				
Amortised cost	437,724	319,486	127,066	240,296
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

The Sub-Funds maintain the investment portfolio as dictated by its respective investment management strategy. The Sub-Funds' investment objectives are disclosed in note 1 to the financial statements and the Sub-Funds' investment portfolio mainly comprises equity investments.

The Sub-Funds' investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. The Manager and the Trustee have set out below the most important types of financial risks inherent in each type of financial instruments. The Manager and the Trustee would like to highlight that the following list of associated risks only sets out some of the risks but does not purport to constitute an exhaustive list of all the risks inherent in the investments in the Sub-Funds. Unitholders should note that additional information in respect of risks associated with financial instruments in the Sub-Funds can be found in the Trust's prospectus.

The assets allocation is determined by the Manager who manages and monitors the composition of the assets to achieve the investment objectives.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Sub-Funds are discussed below.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Sub-Funds are designated to track the performance of the Index, and therefore the exposure to market price risk in the Sub-Funds will be substantially the same as the tracked index. Market price risk is managed by the Manager on an ongoing basis in accordance with the investment objectives of the Sub-Funds.

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**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

Price risk (continued)

*Sensitivity analysis*

As at 31 March 2024 and 2023, if the market prices of the equity instruments had been 10% higher and all other variables were held constant, the loss for the years of the Sub-Funds would have been decreased by approximately:

	<u>Samsung CSI China Dragon</u> <u>Internet ETF</u>		<u>Samsung S&amp;P High Dividend</u> <u>APAC ex NZ REITs ETF</u>	
	2024 HK\$	2023 HK\$	2024 US\$	2023 US\$
Decrease in loss after tax for the year	<u>(12,168,000)</u>	<u>(14,678,000)</u>	<u>(1,422,000)</u>	<u>(1,653,000)</u>

If the market prices of the equity instruments had been 10% lower and all other variables were held constant, there would be an equal and opposite impact on the Sub-Funds' loss for the years.

Interest rate risk

Interest rate risk arises from changes in interest rates which may affect the values of interest bearing assets and liabilities and therefore result in potential gain or loss to the Sub-Funds. The Sub-Funds' interest rate risk is managed on an ongoing basis by the Manager.

As at 31 March 2024 and 2023, the majority of the Sub-Funds' financial assets and financial liabilities are non-interest bearing. Therefore, the Manager considers that the interest rate risk is minimal.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

**Samsung CSI China Dragon Internet ETF**

The functional currency of Samsung CSI China Dragon Internet ETF is HK\$. It is exposed to currency risk primarily through recognised financial assets or liabilities that are denominated in US\$ and Renminbi ("RMB"). The following table details the exposure to currency risk of the Sub-Fund, except for US\$, and the sensitivity analysis if HK\$ strengthened by 5% in relation to such currencies at the reporting date. For presentation purposes, the amounts of the exposure are in HK\$.

In view of the HK\$ pegged system to the US\$, the Manager considers that the currency risk exposure is insignificant and no foreign currency sensitivity analysis is presented accordingly.

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**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

Currency risk (continued)

**Samsung CSI China Dragon Internet ETF (continued)**

	2024		2023	
	Net exposure to foreign currencies HK\$	Impact on loss for the year HK\$	Net exposure to foreign currencies HK\$	Impact on profit for the year HK\$
Net assets exposed to RMB	8,398,667	420,000	11,373,234	569,000

**Samsung S&P High Dividend APAC ex NZ REITs ETF**

The functional currency of Samsung S&P High Dividend APAC ex NZ REITs ETF is US\$. It is exposed to currency risk primarily through recognised financial assets or liabilities that are denominated in HK\$, Australian Dollars (“AUD”), Japanese Yen (“JPY”), South Korean Won (“KRW”) and Singapore Dollars (“SGD”). The following table details the exposure to currency risk of the Sub-Fund, except for HK\$, and the sensitivity analysis if US\$ strengthened by 5% in relation to such currencies at the reporting date. For presentation purposes, the amounts of the exposure are in US\$.

In view of the HK\$ pegged system to the US\$, the Manager considers that the currency risk exposure is insignificant and no foreign currency sensitivity analysis is presented accordingly.

	2024		2023	
	Net exposure to foreign currencies US\$	Impact on loss for the year US\$	Net exposure to foreign currencies US\$	Impact on profit for the year US\$
Net assets exposed to AUD	4,690,809	235,000	4,721,813	236,000
Net assets exposed to JPY	4,256,292	213,000	5,044,045	252,000
Net assets exposed to KRW	-	-	14,644	1,000
Net assets exposed to SGD	4,101,089	205,000	5,176,212	259,000

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**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

Credit risk and impairment assessment

The Sub-Funds' maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Credit risk arising from transactions with brokers relates to transactions awaiting settlements and deposits placed in brokers. The risk relating to unsettled transactions and deposits placed in brokers is considered low due to the short settlement period and high credit ratings of brokers assigned by international credit rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with a bank and brokers with high credit ratings, the Sub-Funds do not have any other significant concentration of credit risk.

All of the cash held by the Sub-Funds are deposited with a bank. Bankruptcy or insolvency of the banks may cause the Sub-Funds' rights with respect to the cash at banks to be delayed or limited. As the bank and the brokers have credit ratings at or above investment grade, the Manager considers that the credit risk is minimal.

Substantially all of the assets of the Sub-Funds are held by Cititrust Limited (the "Custodian"). Bankruptcy or insolvency of the Custodian may cause the Sub-Funds' rights with respect to assets held by the Custodian to be delayed or limited. The Manager monitors the credit quality and financial position of the Custodian on an ongoing basis. The Custodian is a group company of the Citibank, which has a credit rating at or above investment grade. As such, the Manager considers the credit risk is considered insignificant.

For the years ended 31 March 2024 and 2023, the Manager considers that no impairment was made on the Sub-Funds' financial assets carried at amortised cost as the ECL is immaterial.

Liquidity risk

Liquidity risk is the risk that the Sub-Funds will encounter difficulty in meeting obligations arising from its respective financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Sub-Funds. The Sub-Funds are exposed to daily liquidity risk on redemption of units.

The Sub-Funds' policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and deposits placed in brokers to meet their liquidity requirements in the short and longer term.

The Sub-Funds' investments are considered to have insignificant exposure to liquidity risk as they are all readily realisable under normal market conditions.

As at 31 March 2024 and 2023, the Sub-Funds' financial liabilities are either repayable on demand or due within three months.

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**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

Capital management

The Sub-Funds' capital as at the end of the reporting period is represented by their net assets attributable to unitholders.

The Sub-Funds' objective in managing the capital is to ensure a stable and strong base to maximise returns to all unitholders, and to manage liquidity risk arising from the redemptions. The Manager manages the capital of the Sub-Funds in accordance with the Sub-Funds' investment objectives and policies stated in the offering documents. Under certain circumstance, the Manager may suspend the issuance and redemption of units of the Sub-Funds as currently disclosed in the Trust's prospectus.

Fair value

The financial instruments held by the Sub-Funds are measured at their fair values on the reporting date. Fair value estimates are made at a specified point in time, based on market conditions and information about the financial instruments. Fair values can usually be reliably determined within a reasonable range of estimates.

**Valuation of financial instruments**

The accounting policy of the Sub-Funds on fair value measurements is detailed in the significant accounting policies in note 3 to the financial statements.

In estimating the fair value, the Sub-Funds uses market-observable data to the extent it is available.

The following analyses the Sub-Funds' investments measured at FVTPL on the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised.

*At 31 March 2024*

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
<u>Samsung CSI China Dragon Internet ETF</u>				
<b>Assets</b>				
Financial assets at FVTPL				
- Listed equities	121,683,622	-	-	121,683,622
	<u>121,683,622</u>	<u>                    </u>	<u>                    </u>	<u>121,683,622</u>
	<u>Level 1</u> US\$	<u>Level 2</u> US\$	<u>Level 3</u> US\$	<u>Total</u> US\$
<u>Samsung S&amp;P High Dividend APAC ex NZ REITs ETF</u>				
<b>Assets</b>				
Financial assets at FVTPL				
- Listed equities	14,216,933	-	-	14,216,933
	<u>14,216,933</u>	<u>                    </u>	<u>                    </u>	<u>14,216,933</u>



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**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

Fair value (continued)

**Valuation of financial instruments (continued)**

*At 31 March 2023*

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
<u>Samsung CSI China Dragon Internet ETF</u>				
<b>Assets</b>				
Financial assets at FVTPL				
- Listed equities	146,777,904	-	-	146,777,904
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>Level 1</u> US\$	<u>Level 2</u> US\$	<u>Level 3</u> US\$	<u>Total</u> US\$
<u>Samsung S&amp;P High Dividend APAC ex NZ REITs ETF</u>				
<b>Assets</b>				
Financial assets at FVTPL				
- Listed equities	16,528,998	-	-	16,528,998
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

For the years ended 31 March 2024 and 2023, there were no transfers of financial instruments between fair value hierarchy levels. The fair values of above financial assets are based on quoted market prices in an active market at the end of reporting period.

As at 31 March 2024 and 2023, except for financial assets at FVTPL as disclosed in the financial statements, all other financial assets and financial liabilities are carried at amortised cost. The carrying values of all other financial assets and liabilities carried at amortised cost are considered by the Manager to approximate to their fair values.

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**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

Offsetting

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Sub-Funds' statement of financial position; and/or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Sub-Funds' statement of financial position.

The Sub-Fund currently has a legally enforceable right to set off due from a broker and due to a broker that are due to be settled on the same date and the Sub-Funds intends to settle these balances on net basis.

Samsung S&P High Dividend APAC ex NZ REITs ETF

	Gross amounts of recognised <u>financial liabilities</u> US\$	Gross amounts of recognised financial assets offset in the statement of <u>financial position</u> US\$	Net amounts of financial liabilities presented in the statement of <u>financial position</u> US\$	Related amounts not offset in the statement of financial position		Net <u>amount</u> US\$
				<u>Financial instruments</u> US\$	<u>Collateral pledged</u> US\$	
<u>As at 31 March 2024</u>						
<b>Financial liabilities</b>						
Due to a broker	(40)	-	(40)	-	-	(40)

	Gross amounts of recognised <u>financial assets</u> US\$	Gross amounts of recognised financial liabilities offset in the statement of <u>financial position</u> US\$	Net amounts of financial assets presented in the statement of <u>financial position</u> US\$	Related amounts not offset in the statement of financial position		Net <u>amount</u> US\$
				<u>Financial instruments</u> US\$	<u>Collateral pledged</u> US\$	
<u>As at 31 March 2023</u>						
<b>Financial assets</b>						
Due from a broker	84,724	-	84,724	(84,724)	-	-

	Gross amounts of recognised <u>financial liabilities</u> US\$	Gross amounts of recognised financial assets offset in the statement of <u>financial position</u> US\$	Net amounts of financial liabilities presented in the statement of <u>financial position</u> US\$	Related amounts not offset in the statement of financial position		Net <u>amount</u> US\$
				<u>Financial instruments</u> US\$	<u>Collateral pledged</u> US\$	
<u>As at 31 March 2023</u>						
<b>Financial liabilities</b>						
Due to a broker	(87,834)	-	(87,834)	84,724	-	(3,110)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

**11. TRANSACTION COSTS**

The transaction costs pertain to the fees incurred during the transactions of purchase or sell investments. The transaction costs are paid to brokers or other service providers.

**12. SEGMENT INFORMATION**

The Manager makes the strategic resource allocations on behalf of the Sub-Funds and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that the Sub-Funds are single operating segment which is investments in equity instruments. The investment objectives of the Sub-Funds are disclosed in note 1 to the financial statements.

The internal financial information used by the Manager for the Sub-Funds assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of profit or loss and other comprehensive income.

The Sub-Funds are domiciled in Hong Kong. The Sub-Funds have no non-current assets.

**13. EVENTS AFTER THE REPORTING PERIOD**

On 5 June 2024, the Manager of Samsung S&P High Dividend APAC ex NZ REITs ETF announced that the distribution shall be allocated to the unitholders of the Sub-Fund in accordance with the number of units held by each unitholder on the Sub-Fund's Register of Unit Holders on 21 June 2024.

On 11 June 2024, the Manager announced that the distribution per unit is US\$0.018.

Subsequent to 31 March 2024 up to 26 July 2024, Samsung CSI China Dragon Internet ETF recorded redemption of 900,000 units.

Other than those disclosed above, no subsequent events requiring adjustment to or disclosure in the financial statements.

**14. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Manager on 30 July 2024.

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST II)

INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 31 MARCH 2024

	<u>Holding shares/units</u>	<u>Market value HK\$</u>	% of total net assets attributable to <u>unitholders</u>
<b>Listed equities (99.61%)</b>			
<b>China</b>			
360 Security Technology Inc	83,600	801,163	0.66
37 Interactive Entertainment Network Technology Group Co Ltd	35,200	672,376	0.55
East Money Information Co Ltd	294,800	4,111,635	3.37
Hithink RoyalFlush Information Network Co Ltd	4,400	642,360	0.53
Kunlun Tech Co Ltd	22,000	968,161	0.79
Mango Excellent Media Co Ltd	17,600	466,356	0.38
Zhejiang Century Huatong Group Co Ltd	140,800	725,740	0.59
		<u>8,387,791</u>	<u>6.87</u>
		-----	-----
<b>Hong Kong</b>			
Alibaba Group Holding Ltd	265,760	18,669,640	15.28
Alibaba Health Information Technology Ltd	126,280	401,570	0.33
Baidu Inc	66,000	6,778,200	5.55
Bilibili Inc	7,040	621,632	0.51
China Literature Ltd	8,800	230,120	0.19
JD Health International Inc	30,800	853,160	0.70
JD.com Inc	58,960	6,361,784	5.21
Kingsoft Corp Ltd	26,400	636,240	0.52
Kuaishou Technology	70,400	3,453,120	2.83
Meituan	145,200	14,055,360	11.50
NetEase Inc	45,760	7,449,728	6.10
Tencent Holdings Ltd	59,400	18,045,720	14.77
Tongcheng Travel Holdings Ltd	35,200	726,880	0.59
Trip.com Group Ltd	15,400	5,316,080	4.35
Xiaomi Corp	413,600	6,179,184	5.06
		<u>89,778,418</u>	<u>73.49</u>
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SAMSUNG CSI CHINA DRAGON INTERNET ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST II)

INVESTMENT PORTFOLIO (UNAUDITED) (continued)

AS AT 31 MARCH 2024

	<u>Holding shares/units</u>	<u>Market value</u> HK\$	% of total net assets attributable to <u>unitholders</u>
<b>Listed equities (99.61%) (continued)</b>			
<b>United States</b>			
Full Truck Alliance Co Ltd	24,948	1,419,475	1.16
iQIYI Inc	13,376	442,817	0.36
Kanzhun Ltd	10,208	1,400,490	1.15
KE Holdings Inc	20,460	2,198,536	1.80
Lufax Holding Ltd	5,324	175,836	0.14
PDD Holdings Inc	16,852	15,332,110	12.55
Tencent Music Entertainment Group	16,016	1,402,625	1.15
Vipshop Holdings Ltd	8,844	1,145,524	0.94
		<u>23,517,413</u>	<u>19.25</u>
		-----	-----
<b>Total investments</b>		121,683,622	99.61
<b>Other net assets</b>		<u>477,199</u>	<u>0.39</u>
<b>Net assets attributable to unitholders</b>		<u>122,160,821</u>	<u>100.00</u>
<b>Total investments, at cost</b>		<u>207,002,213</u>	
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SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST II)

INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 31 MARCH 2024

	<u>Holding shares/units</u>	<u>Market value US\$</u>	% of total net assets attributable to <u>unitholders</u>
<b>Listed equities (100.20%)</b>			
<b>Australia</b>			
Charter Hall Long Wale REIT	66,290	164,755	1.16
Dexus	107,170	551,538	3.89
GPT Group	190,890	567,578	4.00
Mirvac Group	393,190	603,727	4.25
National Storage REIT	126,140	196,965	1.39
Region RE Ltd	115,780	180,035	1.27
Scentre Group	517,230	1,140,800	8.04
Stockland	237,370	749,020	5.28
Vicinity Ltd	385,595	534,364	3.77
		<u>4,688,782</u>	<u>33.05</u>
		-----	-----
<b>Hong Kong</b>			
Link REIT	287,000	1,234,409	8.70
		<u>1,234,409</u>	<u>8.70</u>
		-----	-----
<b>Japan</b>			
Activia Properties Inc	140	380,478	2.68
Frontier Real Estate Investment Corp	105	317,604	2.24
Hulic Reit Inc	245	248,859	1.75
Invincible Investment Corp	1,190	533,640	3.76
Japan Metropolitan Fund Invest	1,260	784,718	5.53
KDX Realty Investment Corp	735	781,043	5.51
NTT UD REIT Investment Corp	280	228,009	1.61
Orix JREIT Inc	490	532,669	3.75
Sekisui House Reit Inc	770	412,932	2.91
		<u>4,219,952</u>	<u>29.74</u>
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SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST II)

INVESTMENT PORTFOLIO (UNAUDITED) (continued)

AS AT 31 MARCH 2024

	<u>Holding shares/units</u>	<u>Market value US\$</u>	<u>% of total net assets attributable to unitholders</u>
<b>Listed equities (100.20%) (continued)</b>			
<b>Singapore</b>			
CapitaLand Ascendas REIT	413,000	848,043	5.98
CapitaLand Ascott Trust	290,500	203,501	1.44
CapitaLand Integrated Commercial Trust	588,000	863,039	6.08
Frasers Centrepoint Trust	133,000	215,916	1.52
Frasers Logistics & Commercial Trust	339,500	266,768	1.88
Keppel DC REIT	157,500	201,983	1.43
Keppel REIT	262,500	169,292	1.19
Mapletree Industrial Trust	241,500	418,910	2.95
Mapletree Logistics Trust	388,500	420,467	2.96
Mapletree Pan Asia Commercial Trust	269,500	255,715	1.80
Suntec Real Estate Investment Trust	262,500	210,156	1.48
		<u>4,073,790</u>	<u>28.71</u>
<b>Total investments</b>		14,216,933	100.20
<b>Other net liabilities</b>		<u>(28,332)</u>	<u>(0.20)</u>
<b>Net assets attributable to unitholders</b>		<u>14,188,601</u>	<u>100.00</u>
<b>Total investments, at cost</b>		<u>15,879,105</u>	

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST II)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 31 MARCH 2024

<u>Investments</u>	<u>Holdings as at 1 April 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Holdings as at 31 March 2024</u>
<b>Listed equities</b>				
<b>China</b>				
360 Security Technology Inc	70,400	17,600	4,400	83,600
37 Interactive Entertainment Network Technology Group Co Ltd	35,200	4,400	4,400	35,200
East Money Information Co Ltd	268,400	53,680	27,280	294,800
Hithink RoyalFlush Information Network Co Ltd	4,400	-	-	4,400
Kunlun Tech Co Ltd	-	22,000	-	22,000
Mango Excellent Media Co Ltd	17,600	-	-	17,600
Zhejiang Century Huatong Group Co Ltd	132,000	13,200	4,400	140,800
<b>Hong Kong</b>				
Alibaba Group Holding Ltd	231,880	36,520	2,640	265,760
Alibaba Health Information Technology Ltd	136,400	-	10,120	126,280
Baidu Inc	70,400	-	4,400	66,000
Bilibili Inc	7,040	-	-	7,040
China Literature Ltd	8,800	-	-	8,800
JD Health International Inc	33,000	-	2,200	30,800
JD.com Inc	63,360	-	4,400	58,960
Kingsoft Corp Ltd	26,400	-	-	26,400
Kuaishou Technology	66,000	8,800	4,400	70,400
Meituan	123,200	27,280	5,280	145,200
NetEase Inc	49,720	-	3,960	45,760
Ping An Healthcare and Technology Co Ltd	13,200	-	13,200	-
Tencent Holdings Ltd	68,200	3,520	12,320	59,400
Tongcheng Travel Holdings Ltd	-	35,200	-	35,200
Trip.com Group Ltd	17,600	-	2,200	15,400
Xiaomi Corp	440,000	-	26,400	413,600
<b>United States</b>				
Full Truck Alliance Co Ltd	27,896	-	2,948	24,948
iQIYI Inc	10,076	3,784	484	13,376
Kanzhun Ltd	8,756	1,716	264	10,208
KE Holdings Inc	12,760	8,580	880	20,460
Lufax Holding Ltd	23,100	5,346	23,122	5,324
PDD Holdings Inc	15,928	3,300	2,376	16,852
Tencent Music Entertainment Group	42,724	-	26,708	16,016
Vipshop Holdings Ltd	10,780	-	1,936	8,844
Weibo Corp	2,464	-	2,464	-



SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST II)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 31 MARCH 2024

<u>Investments</u>	Holdings as at <u>1 April 2023</u>	<u>Additions</u>	<u>Disposals</u>	Holdings as at <u>31 March 2024</u>
<b>Listed equities</b>				
<b>Australia</b>				
Charter Hall Long Wale REIT	62,396	22,946	19,052	66,290
Charter Hall Retail REIT	49,628	1,306	50,934	-
Dexus	103,170	36,140	32,140	107,170
GPT Group	183,730	64,364	57,204	190,890
Mirvac Group	378,480	132,584	117,874	393,190
National Storage REIT	179,132	28,451	81,443	126,140
Region RE Ltd	110,200	39,649	34,069	115,780
Scentre Group	497,838	174,393	155,001	517,230
Stockland	228,988	80,149	71,767	237,370
Vicinity Ltd	575,092	70,512	260,009	385,595
Waypoint REIT Ltd	64,448	1,696	66,144	-
<b>Hong Kong</b>				
Link REIT	254,600	97,700	65,300	287,000
<b>Japan</b>				
Activia Properties Inc	152	98	110	140
Frontier Real Estate Investment Corp	-	207	102	105
Hulic Reit Inc	1,064	95	914	245
Ichigo Office REIT Investment Corp	-	507	507	-
Invincible Investment Corp	-	1,428	238	1,190
Japan Metropolitan Fund Invest	-	2,601	1,341	1,260
KDX Realty Investment Corp	-	882	147	735
Kenedix Retail REIT Corp	494	13	507	-
NIPPON REIT Investment Corp	380	10	390	-
NTT UD REIT Investment Corp	1,178	102	1,000	280
Orix JREIT Inc	-	588	98	490
Sekisui House Reit Inc	722	943	895	770
<b>Singapore</b>				
CapitaLand Ascendas REIT	444,600	90,100	121,700	413,000
CapitaLand Ascott Trust	228,000	144,500	82,000	290,500
CapitaLand Integrated Commercial Trust	687,800	104,800	204,600	588,000
Frasers Centrepoint Trust	148,200	30,600	45,800	133,000
Frasers Logistics & Commercial Trust	395,200	60,900	116,600	339,500
Keppel DC REIT	178,600	30,500	51,600	157,500
Keppel REIT	269,800	83,800	91,100	262,500
Lendlease Global Commercial REIT	254,600	10,600	265,200	-
Mapletree Industrial Trust	262,200	46,200	66,900	241,500
Mapletree Logistics Trust	440,800	79,400	131,700	388,500
Mapletree Pan Asia Commercial Trust	315,400	46,900	92,800	269,500
Suntec Real Estate Investment Trust	307,800	49,700	95,000	262,500

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST II)

PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUND (UNAUDITED)

AS AT 31 MARCH 2024

<b>Sub-Fund</b>	Performance	
	<u>2024</u>	<u>2023</u>
Samsung CSI China Dragon Internet ETF	-17.20%	2.47%
<b>Index</b>		
CSI Global China Internet Index	-16.80%	0.88%

Source: Unit-prices are provided by Cititrust Limited. The performance information of Samsung CSI China Dragon Internet ETF which is calculated with reference to the unit-prices is provided by the Manager. Index information is provided by China Securities Index.

Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST II)

PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUND (UNAUDITED)

AS AT 31 MARCH 2024

<b>Sub-Fund</b>	Performance	
	<u>2024</u>	<u>2023</u>
Samsung S&P High Dividend APAC ex NZ REITs ETF	-2.90%	-14.34%
<b>Index</b>		
S&P High Yield Asia Pacific-Ex New Zealand REITs Select Index	-1.50%	-13.76%

Source: Unit-prices are provided by Cititrust Limited. The performance information of Samsung S&P High Dividend APAC ex NZ REITs ETF is provided by the Manager. Index information is provided by S&P Dow Jones Indices.

Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST II)

PERFORMANCE RECORD (UNAUDITED)

AS AT 31 MARCH 2024

(a) Price record (Net assets value per unit)

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Year ended 31 March 2024	8.2836	11.1846
Year ended 31 March 2023	7.0307	12.7494
Year ended 31 March 2022	8.3615	22.2835
Year ended 31 March 2021	11.7829	28.3922
Year ended 31 March 2020	9.9033	13.9929
For the period from 13 June 2018 (date of commencement of operations) to 31 March 2019	9.4830	15.9885

Note: The net assets value per unit is calculated under the accounting basis indicated in the Trust's prospectus.

(b) Net assets value

	<u>Net asset value</u> HK\$
As at 31 March 2024	122,160,821
As at 31 March 2023	147,468,427
As at 31 March 2022	153,333,859
As at 31 March 2021	347,252,029
As at 31 March 2020	100,606,940
As at 31 March 2019	108,195,802

(c) Net assets value per unit

	<u>Net asset</u> <u>value per unit</u> HK\$
As at 31 March 2024	9.2546
As at 31 March 2023	11.1719
As at 31 March 2022	10.8747
As at 31 March 2021	21.4353
As at 31 March 2020	11.9770
As at 31 March 2019	12.0218

SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST II)

PERFORMANCE RECORD (UNAUDITED)

AS AT 31 MARCH 2024

(a) Price record (Net assets value per unit)

	<u>Lowest</u> US\$	<u>Highest</u> US\$
Year ended 31 March 2024	1.8286	2.2821
Year ended 31 March 2023	2.7216	1.9227
For the period from 12 October 2020 (date of commencement of operations) to 31 March 2022	2.3194	2.9791

Note: The net assets value per unit is calculated under the accounting basis indicated in the Trust's prospectus.

(b) Net assets value

	<u>Net asset value</u> US\$
As at 31 March 2024	14,188,601
As at 31 March 2023	16,568,814
As at 31 March 2022	29,547,220

(c) Net assets value per unit

	<u>Net asset</u> <u>value per unit</u> US\$
As at 31 March 2024	2.0269
As at 31 March 2023	2.1801
As at 31 March 2022	2.6861

SAMSUNG CSI CHINA DRAGON INTERNET ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST II)

UNDERLYING INDEX CONSTITUENT STOCKS DISCLOSURE (UNAUDITED)

AS AT 31 MARCH 2024

The following are those constituent stocks that accounted for more than 10% of the weighting of the CSI Global China Internet Index.

<b>Constituent stock</b>	<b>Weighting of the Index (%)</b>
Alibaba Group Holding Ltd	15.34
Tencent Holdings Ltd	14.83
PDD Holdings Inc	12.60
Meituan	11.55

SAMSUNG S&P HIGH DIVIDEND APAC EX NZ REITS ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST II)

UNDERLYING INDEX CONSTITUENT STOCKS DISCLOSURE (UNAUDITED)

AS AT 31 MARCH 2024

There are no constituent stocks that accounted for more than 10% of the weighting of the S&P High Yield Asia Pacific-Ex New Zealand REITs Select Index as at 31 March 2024.