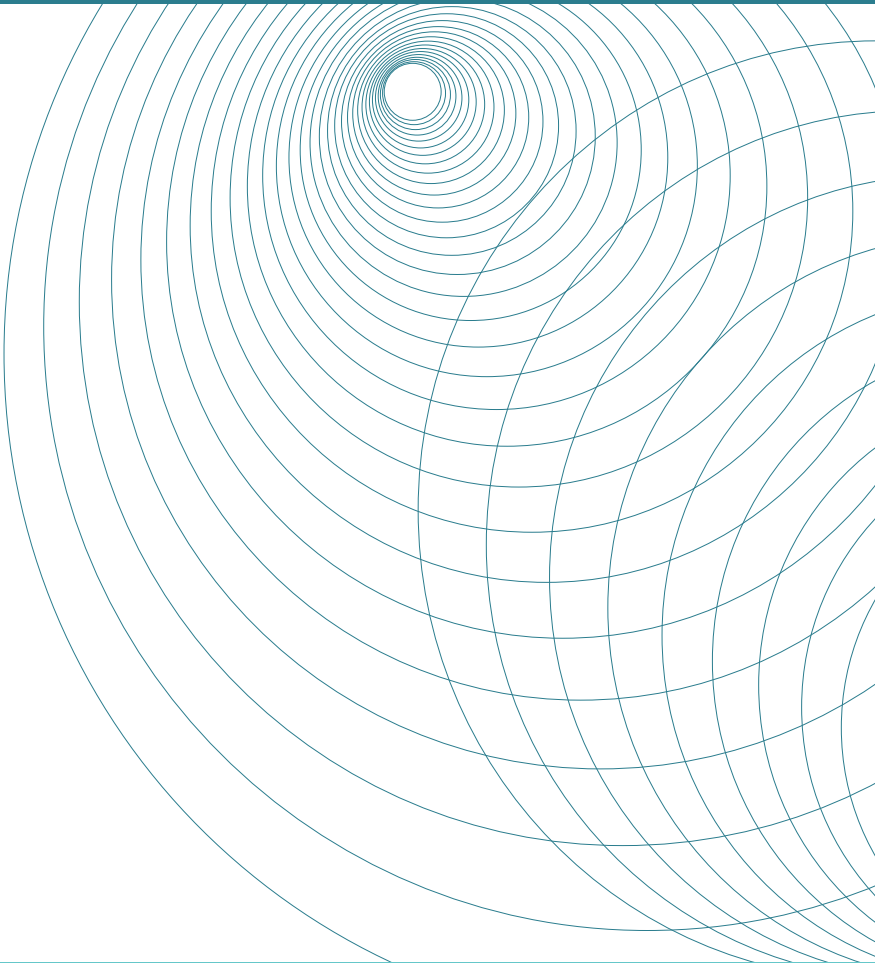

INTERIM REPORT
Nikko AM Hong Kong Investment Funds

For the financial year ended 30 June 2025



NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

Interim Report 30 June 2025

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

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NIKKO AM HONG KONG INVESTMENT FUNDS

(An umbrella unit trust established in Hong Kong)

NIKKO AM ASIAN SMALL MID EQUITY FUND**MANAGEMENT AND ADMINISTRATION****Directors of the Manager**

Eleanor Seet Oon Hui
Kiyotaka Ryu
Kuniyuki Shudo (wef 1 August 2025)

Manager

Nikko Asset Management Hong Kong Limited
2401-03, 24/F, Man Yee Building
60-68 Des Voeux Road Central
Hong Kong

Investment Sub-Manager

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Singapore 018961

Auditors

PricewaterhouseCoopers
22/F, Prince's Building
10 Chater Road, Central
Hong Kong

Trustee, Administrator and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Legal Advisor

As to the matters of Hong Kong law:
Deacons
5/F, Alexandra House
18 Chater Road
Central
Hong Kong

NIKKO AM HONG KONG INVESTMENT FUNDS

(An umbrella unit trust established in Hong Kong)

NIKKO AM ASIAN SMALL MID EQUITY FUND

REPORT OF THE MANAGER

Performance

Nikko AM Hong Kong Investment Funds (the "Fund") is an umbrella unit trust governed by its Trust Deed dated 25 October 2016 (date of establishment), as amended from time to time (the "Trust Deed"). The Fund has only one sub-fund, Nikko AM Asian Small Mid Equity Fund (the "Sub-Fund"). For the financial period ending 30 June 2025, the Sub-Fund returned 2.22% in US dollar (USD) terms.

Asian equities maintained their positive momentum in 1H25, with the MSCI Asia ex-Japan Small Mid Cap Index (Net Total Return) returning 12.8% in USD terms. Markets around the world have overcome the start of a tariff war and escalating geopolitical tensions to reach the halfway point of the year with solid gains. Market participants remained watchful in the first quarter of 2025, as US President Donald Trump commenced his second term in office and threatened to slap tariffs on all goods entering the US as he aimed to bring jobs and manufacturing back to the country. Volatility soon ensued after he imposed "reciprocal" tariffs on most countries in early April. Market sentiment improved thereafter on growing optimism over progress in trade talks between the US and other countries, including a framework trade deal between the US and China. This allayed fears of a tariffs-fuelled global economic slowdown. Geopolitical jitters also eased in the Middle East after Israel and Iran agreed to a ceasefire.

Within the region, the stock markets of South Korea, Hong Kong and Singapore were the best performers in 1H25, while Thailand, Indonesia and Malaysia were the laggards. South Korea has ushered in a new president after a political turmoil, raising anticipation that shareholder-friendly reforms will be passed. Continued investor optimism about artificial intelligence (AI) also lifted the tech-heavy economy. Enthusiasm for Hong Kong's equity capital markets bounced back, with initial public offerings (IPOs) surging in the first half of the year as Chinese companies sought refuge after facing pushback in the US. Meanwhile, Thailand found itself mired in a political crisis triggered by a leaked conversation between Thai prime minister Paetongtarn Shinawatra and Cambodia's former leader Hun Sen, amid a border dispute with Cambodia.

Review

South Korea was the best-performing small- and mid-cap market. Our key positions within consumer staples such as Cosmax and Samyang Foods outperformed the market with more than 80% returns in local currency terms. Cosmax, a key beneficiary of strong demand for K-beauty, particularly Korean indie cosmetic brands, saw rapid export growth to overseas markets which helped push order growth momentum to new highs. Samyang Foods, on the other hand, performed exceptionally well due to explosive global demand for its Buldak ("fire chicken") instant noodles which are known for their intense spiciness. In fact, eating Buldak has become a global trend. Overseas revenue contribution skyrocketed in recent years, and in the first half of 2025, reached 80% of revenues, from 50% in 2019. Both Cosmax and Samyang saw new sell-side broker coverage during the period under review, with historical high target prices. We remain positive on the trend of Korean brands going global and continue to own interesting Korean small-cap companies that have yet to be discovered by the broader market.

Despite the outperformance in the Korean consumer space, the Portfolio had few positions in industrials and financials within Korea, the two sectors which rallied the most during the period. The inauguration of a new president raised investor optimism as the new administration pledged bold economic stimulus and shareholder-friendly corporate reforms. We view this as a low-quality rally and remain selective, reminding investors that not all fairy tales begin with "once upon a time" but many of them begin with "if I am elected, I promise...".

NIKKO AM HONG KONG INVESTMENT FUNDS

(An umbrella unit trust established in Hong Kong)

NIKKO AM ASIAN SMALL MID EQUITY FUND

REPORT OF THE MANAGER (CONTINUED)

China was the second-best performing market as Chinese markets saw investor interest in its technology capabilities reignited, boosted by homegrown AI upstart DeepSeek's breakthrough and upbeat earnings by big tech companies. Investor sentiment was also buoyed by stimulus measures aimed at boosting domestic consumption and supporting the broader economy. Communication services and biotech strongly outperformed whilst our key positions within the consumer sectors lagged. Our position in Giant Biogene corrected sharply towards the end of May into June, following allegations of false advertising by a key competitor, sparking public controversy over its recombinant collagen skincare products. We have exited the position.

Indian small caps took a breather and were flat over the period. Technology was the weakest sector within India and our zero-weight helped. However, our overweight and stock selection in healthcare and real estate detracted. In healthcare, pharma exporters and contract development, manufacturing organisations underperformed following President Trump's announcement of plans to impose aggressive tariffs on the US' trading partners. The Indian real estate sector was weak primarily due to a moderating growth outlook given declining presales momentum as housing affordability deteriorated. We have reduced some positions in these two sectors.

Outlook

Markets continued to recover but remained volatile amid the de-escalation of the Trump-era trade war and the escalation of conflicts in the Middle East, particularly between Israel and Iran. While there have been improvements in trade policy and ceasefires, the outlook remains uncertain.

In China, we expect policy support to stimulate consumption and business activity. Early signs of real estate stabilisation and a stock market rally from a low base are encouraging. Another reason for optimism in Chinese equities is the favourable liquidity environment. Low government bond yields reflect this and may prompt domestic institutions to shift capital into equities. The securities regulator is also encouraging equity investment by allowing state-owned insurers to allocate 30% of new policy premiums to the A-share market. The ongoing US-China tariff tension is also showing encouraging signs of improvement, such as the trade deal framework reached between the US and China in late June.

India remains a strong long-term opportunity despite near-term challenges. Pro-growth policies and structural reforms are expected to support corporate recovery. We view the current correction as healthy, offering chances to invest in high-quality companies at more reasonable valuations. While we remain underweight India due to small-cap earnings concerns, we see value in select large-cap names with strong fundamentals.

We continue to focus on companies which display positive fundamental change that are undervalued. We continue to be focused on the core fundamentals of companies, constructing the portfolio from a bottom-up perspective, while staying cognisant of macroeconomic risks. We have preference for proxies to long-term consumption growth, including companies in the retail, real estate, and food and beverage sectors. We also remain invested in long term positive themes such as green energy and artificial intelligence.

NIKKO AM HONG KONG INVESTMENT FUNDS
 (An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

REPORT OF THE MANAGER (CONTINUED)

Note:

Nikko Asset Management is rebranding to Amova Asset Management with effect from 1 September 2025. The brand change is part of the global rebranding program to better reflect the continued progress and aim to strengthen the group's growth in Japan and expand in global markets.

- (1) With effect from 1 September 2025, the name of the Manager and the Investment Sub-Manager will be changed as follows:

	Current name	New name
Manager	Nikko Asset Management Hong Kong Limited 日興資產管理香港有限公司	Amova Asset Management Hong Kong Limited 奧明資產管理香港有限公司
Investment Sub-Manager	Nikko Asset Management Asia Limited	Amova Asset Management Asia Limited

- (2) With effect from 1 September 2025, the name of the Fund and the Sub-Fund will be changed as follows:

	Current name	New name
Fund	Nikko AM Hong Kong Investment Funds 日興資產管理香港投資基金	Amova Hong Kong Investment Funds 奧明香港投資基金
Sub-Fund	Nikko AM Asian Small Mid Equity Fund 日興資產管理亞洲中小型股票基金	Amova Asian Small Mid Equity Fund 奧明亞洲中小型股票基金

For the avoidance of doubt, the current investment objective, focus and approach of the Sub-Fund will remain unchanged. Please note that the Manager's website is <https://www.nikkoam.com.hk> (until 31 August 2025) and <https://hk.amova-am.com> (from 1 September 2025). These websites have not been reviewed by the Securities and Futures Commission ("SFC").

NIKKO AM HONG KONG INVESTMENT FUNDS

(An umbrella unit trust established in Hong Kong)

NIKKO AM ASIAN SMALL MID EQUITY FUND

REPORT OF THE MANAGER (CONTINUED)

This document is for information only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. Any securities mentioned herein are for reporting or illustration purposes only and should not be construed as a recommendation for investment. You should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you. Investments in unit trusts or ETFs are not deposits in, obligations of, or guaranteed or insured by Nikko Asset Management Hong Kong Limited (“Nikko AM Hong Kong”).

Past performance or any prediction, projection or forecast is not indicative of future performance.

The Sub-Fund may use or invest in financial derivative instruments. The value of units and income from them may fall or rise. Investments in the Sub-Fund are subject to investment risks, including the possible loss of principal amount invested. You should read the relevant prospectus and product key facts sheet obtainable from appointed distributors of Nikko AM Hong Kong before investing.

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Nikko Asset Management Hong Kong Limited. Registration Number 30310338-000

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF FINANCIAL POSITION¹ (UNAUDITED)

AS AT 30 JUNE 2025

	(Unaudited) As at 30 June 2025 US\$	(Audited) As at 31 December 2024 US\$
Assets		
Financial assets at fair value through profit or loss	7,886,891	7,620,249
Dividend receivable	31,006	696
Amount due from brokers	23,269	38,584
Other receivables	24,403	29,510
Cash and cash equivalents	511,943	504,517
Total assets	<u>8,477,512</u>	<u>8,193,556</u>
Liabilities		
Amount due to brokers	9,104	38,422
Accrued expenses and other liabilities	72,563	59,822
Provision for taxation	120,738	120,738
Total liabilities	<u>202,405</u>	<u>218,982</u>
Equity		
Net assets attributable to unitholders	<u>8,275,107</u>	<u>7,974,574</u>
Units in issue	<u>319,736.41</u>	<u>319,736.41</u>
Net assets attributable to unitholders per unit	<u>25.881</u>	<u>24.941</u>

¹ With effect from 1 September 2025, references to “Nikko Asset Management Hong Kong Limited”, “Nikko Asset Management Asia Limited”, and “Nikko AM Hong Kong Investment Funds – Nikko AM Asian Small Mid Equity Fund” shall be deemed deleted and replaced with “Amova Asset Management Hong Kong Limited”, “Amova Asset Management Asia Limited”, and “Amova Hong Kong Investment Funds - Amova Asian Small Mid Equity Fund” respectively.

Note: The unaudited interim reports have applied the same accounting policies and methods of computation as are applied in the annual reports of the Fund

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2025

	(Unaudited) For the period from 1 January 2025 to 30 June 2025 US\$	(Unaudited) For the period from 1 January 2024 to 30 June 2024 US\$
Income		
Dividend income	85,525	79,347
Interest income	1,968	2,732
Net foreign currency gain/(loss) on cash and cash equivalents	17,747	(11,660)
Net changes in fair value on financial assets at fair value through profit or loss	341,406	950,971
Other income	39,649	29,557
Total income	<u>486,295</u>	<u>1,050,947</u>
Expenses		
Management fee ^{Note 2}	57,694	60,866
Trustee fee ^{Note 1}	22,237	19,425
Auditor's fee	9,826	10,388
Transaction costs	31,483	26,016
Legal and other professional fees	4,970	-
Safe custody and bank charges ^{Note 1}	19,985	18,351
Other operating expenses	770	14,318
Total expenses	<u>146,965</u>	<u>149,364</u>
Income before tax	339,330	901,583
Withholding tax on dividend income	(9,152)	(9,703)
Capital gain tax	(29,645)	(30,153)
Total comprehensive income	<u><u>300,533</u></u>	<u><u>861,727</u></u>

^{Note 1} During the period ended 30 June 2025 and 2024, other than Trustee fee, Safe custody and bank charges that was paid to the custodian, which is a related party of the Trustee, no other amount was paid to the Trustee or its connected persons.

^{Note 2} During the period ended 30 June 2025 and 2024, other than Management fee that was paid to the Manager, no other amount was paid to the Manager or its connected persons.

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025

	(Unaudited) For the period from 1 January 2025 to 30 June 2025 US\$	(Unaudited) For the period from 1 January 2024 to 30 June 2024 US\$
Net assets attributable to unitholders at the beginning of the period	7,974,574	7,940,103
Subscription of units	-	-
Redemption of units	-	-
Net change from unit transactions	-	-
Total comprehensive income	300,533	861,727
Net assets attributable to unitholders at the end of the period	<u>8,275,107</u>	<u>8,801,830</u>

	For the period from 1 January 2025 to 30 June 2025 Units	For the period from 1 January 2024 to 30 June 2024 Units
Units outstanding at the beginning of the period	319,736.41	320,246.53
Units subscribed	-	-
Units redeemed	-	-
Units outstanding at the end of the period	<u>319,736.41</u>	<u>320,246.53</u>

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025

	(Unaudited) For the period from 1 January 2025 to 30 June 2025 US\$	(Unaudited) For the period from 1 January 2024 to 30 June 2024 US\$
Cash flows from operating activities		
Total comprehensive income	300,533	861,727
Adjustments for:		
Dividend income	(85,525)	(79,347)
Interest income	(1,968)	(2,732)
Withholding tax on dividend income and capital gain tax	38,797	39,856
Net increase in financial assets at fair value through profit or loss	(266,642)	(944,540)
Net decrease in dividend receivable and other receivables	5,104	322
Net decrease/(increase) in amount due from brokers	15,315	(80,324)
Net increase/(decrease) in accrued expenses and other liabilities	12,741	(6,820)
Net (decrease)/increase in amount due to brokers	(29,318)	42,309
	<hr/>	<hr/>
Cash used in operating activities	(10,963)	(169,549)
Dividend received	55,215	69,802
Interest received	1,971	2,732
Withholding tax and government tax duties paid	(38,797)	(39,856)
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	7,426	(136,871)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	7,426	(136,871)
Cash and cash equivalents at the beginning of the period	504,517	504,014
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	511,943	367,143
	<hr/>	<hr/>
Representing		
Bank balances	511,943	367,143
	<hr/> <hr/>	<hr/> <hr/>

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 JUNE 2025

Listed/Quoted investments

	Holdings	Fair value US\$	% of NAV
Listed equities			
<u>China</u>			
Kingnet Network Co., Limited - A	23,000	61,956	0.75%
Zhejiang Crystal-Optech - A	11,300	31,480	0.38%
<u>Hong Kong</u>			
AK Medical Holdings Limited	116,000	88,518	1.07%
CanSinoBIO - H	17,800	78,118	0.94%
China Resources Land Limited	22,500	76,244	0.92%
CMOC Group Limited - H	45,000	45,747	0.55%
DPC Dash Limited	8,200	107,282	1.30%
Duality Biotherapeutics Inc.	2,600	78,367	0.95%
JD Health International Inc.	11,650	63,817	0.77%
Jiangsu Hengrui Pharmaceuticals Co., Limited	1,400	9,595	0.12%
JNBY Design Limited	49,500	109,093	1.32%
Kingdee International Software Group Co., Limited	26,000	51,141	0.62%
Link REIT	7,600	40,567	0.49%
Pop Mart International Group	1,200	40,755	0.49%
Shanghai Conant Optical Co., Limited	9,000	42,880	0.52%
Tianli Education International	74,000	42,799	0.52%
TS Lines Limited	102,000	111,229	1.34%
<u>India</u>			
Aegis Logistics Limited	8,289	75,251	0.91%
Arvind SmartSpaces Limited	10,804	85,106	1.03%
AU Small Finance Bank Limited	10,167	97,262	1.18%
Craftsman Automation Limited	1,474	96,085	1.16%
Devyani International Limited	50,442	99,031	1.20%
Dixon Technologies India Limited	477	83,633	1.01%
Eureka Forbes Limited	8,563	59,732	0.72%
Fiem Industries Limited	4,162	93,828	1.13%
Five-Star Business Finance Limited	9,581	86,532	1.05%
Godrej Consumer Products Limited	5,618	77,471	0.94%
Great Eastern Shipping Co., Limited	4,920	56,357	0.68%
Indian Hotels Co., Limited	10,703	95,226	1.15%
JK Cement Limited	922	66,354	0.80%
Krishna Institute of Medical Sciences Limited	16,725	131,835	1.59%
Mankind Pharma Limited	4,261	115,671	1.40%
Medi Assist Healthcare Services	10,035	62,520	0.76%
PB Fintech Limited	2,452	52,334	0.63%
Phoenix Mills Limited	5,038	92,070	1.11%
Piramal Pharma Limited	33,603	79,974	0.97%
Rainbow Childrens Medicare Limited	7,086	129,522	1.56%
Safari Industries India Limited	2,971	75,027	0.91%
Samhi Hotels Limited	32,848	85,484	1.03%
Trent Limited	1,435	104,407	1.26%
Vijaya Diagnostic Centre Limited	10,358	119,422	1.44%

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 JUNE 2025

Listed/Quoted investments (Continued)

	Holdings	Fair value US\$	% of NAV
Listed equities (Continued)			
<u>Indonesia</u>			
Indofood Sukses Makmur Tbk PT	174,300	87,397	1.06%
Sariguna Primatirta Tbk PT	1,582,800	60,073	0.72%
<u>Malaysia</u>			
Hume Cement Industries Berhad	83,300	52,789	0.64%
<u>Philippines</u>			
Manila Electric Co., Limited	8,510	81,052	0.98%
Oceanagold Philippines Inc.	230,800	69,723	0.84%
<u>Singapore</u>			
BRC Asia Limited	52,000	126,372	1.53%
Centurion Corporation Limited	97,200	128,015	1.55%
ComfortDelGro Corporation Limited	83,600	93,719	1.13%
DBS Group Holdings Limited	1,700	59,852	0.72%
Parkway Life Real Estate Investment Trust REIT	39,300	126,317	1.53%
Riverstone Holdings Limited	101,200	53,154	0.64%
Singapore Exchange Limited	4,900	57,159	0.69%
UMS Integration Limited	47,100	49,109	0.59%
<u>South Korea</u>			
Cosmax, Inc.	608	125,146	1.51%
Coway Co., Limited	1,290	91,960	1.11%
D&D Pharmatech Inc.	352	30,718	0.37%
D'Alba Global Co., Limited	60	8,700	0.10%
Dear U Co., Limited	1,510	68,389	0.83%
HD Hyundai Electric Co., Limited	163	60,859	0.74%
HK inno.N Corporation	3,113	98,119	1.19%
HYBE Co., Limited	271	61,668	0.74%
Hyundai Engineering and Construction Co., Limited	1,251	72,320	0.87%
Hyundai Steel Co., Limited	1,934	41,873	0.51%
Intocell Co., Limited	150	4,165	0.05%
KCC Corporation	242	55,604	0.67%
Newen AI Co., Limited	816	9,014	0.11%
Nextbiomedical Co., Limited	2,478	84,948	1.03%
Nextin, Inc.	1,389	51,861	0.63%
Park Systems Corporation	637	133,930	1.62%
PharmaResearch Products Co., Limited	130	47,246	0.57%
Pumtech Korea Co., Limited	1,461	66,169	0.80%
S.M. Entertainment Co., Limited	839	87,119	1.05%
SAMG Entertainment Co., Limited	610	41,284	0.50%
Samyang Foods Co., Limited	150	154,098	1.86%
SMCG Co., Limited	13,265	79,713	0.96%
ST Pharm Co., Limited	1,328	75,305	0.91%
<u>Taiwan</u>			
Accton Technology Corporation	4,000	100,395	1.21%
Bizlink Holding Inc.	4,000	116,624	1.41%
Chief Telecom Inc.	12,100	168,281	2.03%

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 JUNE 2025

Listed/Quoted investments (Continued)

	Holdings	Fair value US\$	% of NAV
Listed equities (Continued)			
<u>Taiwan (Continued)</u>			
DingZing Advanced Materials Inc.	14,000	52,708	0.64%
Dr Wu Skincare Co., Limited	18,000	82,001	0.99%
Elite Material Co., Limited	4,000	121,300	1.47%
Gold Circuit Electronics Limited	16,300	165,326	2.00%
Groundhog Inc.	15,000	67,818	0.82%
Innodisk Corporation	14,260	116,198	1.40%
Kinik Company Limited	11,000	121,214	1.47%
LITE-ON Technology Corporation	35,000	132,972	1.61%
SINBON Electronics Co., Limited	15,000	112,687	1.36%
Taiwan Hon Chuan Enterprise Co., Limited	28,378	154,159	1.86%
Taiwan Taxi Co., Limited	35,000	160,650	1.94%
Tong Hsing Electronic Industries Limited	23,992	88,263	1.07%
Voltronic Power Technology	3,000	129,964	1.57%
WinWay Technology Co., Limited	1,000	44,525	0.54%
<u>Thailand</u>			
Moshi Moshi Retail Corporation - NVDR	60,400	74,505	0.90%
Praram 9 Hospital Public Company Limited - NVDR	113,300	82,640	1.00%
		7,886,891	95.31%
		6,275,513	
Total investments at cost			

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025

Listed/Quoted investments

	1 January 2025	Holdings		30 June 2025
		Additions	Disposals	
Listed equities				
<u>China</u>				
Kingnet Network Co., Limited - A	-	23,000	-	23,000
Shenzhen Fuanna Bedding and Furnishing Co., Limited - A	46,200	-	46,200	-
Sunresin New Materials Co., Limited - A	4,900	-	4,900	-
Zhejiang Cayi Vacuum Container Co., Limited - A	5,600	-	5,600	-
Zhejiang Crystal-Optech - A	-	11,300	-	11,300
Zhejiang Weixing Industrial Development Co., Limited - A	48,100	-	48,100	-
<u>Hong Kong</u>				
AK Medical Holdings Limited	-	116,000	-	116,000
Bloks Group Limited	-	300	300	-
CanSinoBio - H	-	17,800	-	17,800
China Medical System Holdings Limited	89,000	-	89,000	-
China Resources Beer Holdings	11,500	7,000	18,500	-
China Resources Land Limited	19,000	3,500	-	22,500
Chow Tai Fook Jewellery Group Limited	-	40,600	40,600	-
CMOC Group Limited - H	-	45,000	-	45,000
Crystal International Group	-	74,000	74,000	-
DPC Dash Limited	8,200	1,800	1,800	8,200
Duality Biotherapeutics Inc.	-	2,600	-	2,600
GDS Holdings Limited - A	-	11,400	11,400	-
Giant Biogene Holding Co., Limited	12,200	1,800	14,000	-
JD Health International Inc.	-	11,650	-	11,650
Jiangsu Hengrui Pharmaceuticals Co., Limited	-	1,400	-	1,400
JNBY Design Limited	49,500	-	-	49,500
KE Holdings Inc.	-	9,700	9,700	-
Kingdee International Software Group Co., Limited	-	31,000	5,000	26,000
Link REIT	-	7,600	-	7,600
Mao Geping Cosmetics Co., Limited	-	2,600	2,600	-
Miniso Group Holding Limited	9,200	3,600	12,800	-
Mixue Group	-	100	100	-
Pop Mart International Group	-	1,200	-	1,200
Shanghai Conant Optical Co., Limited	-	9,000	-	9,000
Stella International Holdings Limited	65,500	-	65,500	-
Tianli Education International	-	74,000	-	74,000
TS Lines Limited	-	113,000	11,000	102,000
Wuxi Apptec Co., Limited	-	10,600	10,600	-
Zhongsheng Group Holdings Limited	-	21,500	21,500	-
<u>India</u>				
ABB India Limited	1,405	-	1,405	-
Aegis Logistics Limited	11,584	922	4,217	8,289

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025

Listed/Quoted investments (Continued)

	1 January 2025	Holdings		30 June 2025
		Additions	Disposals	
Listed equities (Continued)				
India (continued)				
Arvind SmartSpaces Limited	6,738	4,066	-	10,804
AU Small Finance Bank Limited	5,465	10,052	5,350	10,167
Balrampur Chini Mills Limited	6,057	-	6,057	-
Craftsman Automation Limited	-	1,474	-	1,474
Delhivery Limited	17,021	-	17,021	-
Devyani International Limited	29,370	21,072	-	50,442
Dixon Technologies India Limited	602	24	149	477
Emami Limited	-	9,925	9,925	-
Entero Healthcare Solutions	2,385	1,080	3,465	-
Eureka Forbes Limited	-	8,563	-	8,563
Fiem Industries Limited	-	4,162	-	4,162
Five-Star Business Finance Limited	-	11,527	1,946	9,581
Godrej Consumer Products Limited	-	5,618	-	5,618
Godrej Properties Limited	3,654	-	3,654	-
Great Eastern Shipping Co., Limited	4,920	-	-	4,920
Hindustan Petroleum Corporation	-	12,161	12,161	-
Indian Hotels Co., Limited	16,648	316	6,261	10,703
JK Cement Limited	-	922	-	922
Kalpataru Power Transmission	3,740	-	3,740	-
KEI Industries Limited	1,892	253	2,145	-
Krishna Institute of Medical Sciences Limited	16,725	-	-	16,725
Mankind Pharma Limited	4,261	-	-	4,261
Medi Assist Healthcare Services	-	10,035	-	10,035
Mrs Bectors Food Specialities Limited	5,629	-	5,629	-
PB Fintech Limited	5,161	-	2,709	2,452
Phoenix Mills Limited	6,168	76	1,206	5,038
Piramal Pharma Limited	33,603	-	-	33,603
Poly Medicure Limited	3,522	1,694	5,216	-
Rainbow Childrens Medicare Limited	7,086	-	-	7,086
Safari Industries India Limited	4,450	1,010	2,489	2,971
Samhi Hotels Limited	-	32,848	-	32,848
Trent Limited	-	1,435	-	1,435
Vijaya Diagnostic Centre Limited	11,978	908	2,528	10,358
Indonesia				
Elang Mahkota Teknologi Tbk PT	2,492,400	-	2,492,400	-
Indofood Sukses Makmur Tbk PT	174,300	-	-	174,300
Medikaloka Hermina Tbk PT	453,600	-	453,600	-
Sariguna Primatirta Tbk PT	791,400	791,400	-	1,582,800
Malaysia				
Hume Cement Industries Berhad	83,300	-	-	83,300
Johor Plantations Group Berhad	278,100	132,600	410,700	-
Philippines				
Manila Electric Co., Limited	10,420	-	1,910	8,510
Oceanagold Philippines Inc.	230,800	-	-	230,800

NIKKO AM HONG KONG INVESTMENT FUNDS
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NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025

Listed/Quoted investments (Continued)

	1 January 2025	Holdings		30 June 2025
		Additions	Disposals	
Listed equities (Continued)				
<u>Singapore</u>				
BRC Asia Limited	52,000	-	-	52,000
Centurion Corporation Limited	-	97,200	-	97,200
ComfortDelGro Corporation Limited	-	83,600	-	83,600
DBS Group Holdings Limited	1,700	-	-	1,700
Parkway Life Real Estate Investment Trust REIT	43,500	-	4,200	39,300
Riverstone Holdings Limited	75,500	25,700	-	101,200
Singapore Exchange Limited	4,300	4,400	3,800	4,900
UMS Integration Limited	-	47,100	-	47,100
<u>South Korea</u>				
Binex Co., Limited	6,494	416	6,910	-
CK Solution Co., Limited	-	1,301	1,301	-
Clio Cosmetics Co., Limited	5,370	2,611	7,981	-
Cosmax, Inc.	823	89	304	608
Cosmecca Korea Co., Limited	1,132	1,146	2,278	-
Coway Co., Limited	-	1,290	-	1,290
D&D Pharmatech Inc.	-	352	-	352
D'Alba Global Co., Limited	-	60	-	60
Dear U Co., Limited	-	1,510	-	1,510
Dongbang Medical Co., Limited	-	565	565	-
Dongkook Pharmaceutical Co., Limited	6,492	1,931	8,423	-
Dongsung Finetec Co., Limited	-	2,036	2,036	-
EO Technics Co., Limited	583	148	731	-
Hanwha Vision Co., Limited	1,914	913	2,827	-
HD Hyundai Electric Co., Limited	-	163	-	163
HK inno.N Corporation	3,472	201	560	3,113
HPSP Co., Limited	-	2,703	2,703	-
HYBE Co., Limited	289	462	480	271
Hyundai Engineering and Construction Co., Limited	-	1,251	-	1,251
Hyundai Motor Co., Limited	751	108	859	-
Hyundai Steel Co., Limited	-	4,405	2,471	1,934
iFamilySC Co., Limited	6,829	3,284	10,113	-
Intocell Co., Limited	-	150	-	150
Junjin Construction and Robot Co., Limited	-	2,703	2,703	-
KCC Corporation	-	242	-	242
Knowmerce Corporation	-	1,883	1,883	-
LG Electronics Inc.	701	271	972	-
Maum AI Inc.	-	3,735	3,735	-
Motivelink Co., Limited	-	509	509	-
Newen AI Co., Limited	-	816	-	816
Nextbiomedical Co., Limited	-	2,478	-	2,478
Nextin, Inc.	-	1,389	-	1,389
Park Systems Corporation	371	266	-	637
PharmaResearch Products Co., Limited	-	130	-	130

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025

Listed/Quoted investments (Continued)

	1 January 2025	Holdings		30 June 2025
		Additions	Disposals	
Listed equities (Continued)				
<u>South Korea (continued)</u>				
Pumtech Korea Co., Limited	-	1,461	-	1,461
S.M. Entertainment Co., Limited	916	521	598	839
SAMG Entertainment Co., Limited	-	610	-	610
Samyang Foods Co., Limited	127	44	21	150
Sejin Heavy Industries Co., Limited	7,078	-	7,078	-
SMCG Co., Limited	-	13,265	-	13,265
SPG Co., Limited	-	2,562	2,562	-
ST Pharm Co., Limited	1,524	-	196	1,328
Sunjin Beauty Science Co., Limited	-	9,399	9,399	-
T&L Co., Limited	1,753	282	2,035	-
Techwing Inc.	2,050	700	2,750	-
TXR Robotics Co., Limited	-	1,818	1,818	-
Winners Co., Limited	-	413	413	-
Woniltni Co., Limited	-	79	79	-
<u>Taiwan</u>				
Accton Technology Corporation	6,000	1,000	3,000	4,000
Bizlink Holding Inc.	-	4,000	-	4,000
Chief Telecom Inc.	12,100	-	-	12,100
DingZing Advanced Materials Inc.	13,000	1,000	-	14,000
Dr Wu Skincare Co., Limited	31,000	-	13,000	18,000
Eclat Textile Co., Limited	5,000	-	5,000	-
Elite Material Co., Limited	4,000	1,000	1,000	4,000
eMemory Technology Inc.	1,000	-	1,000	-
Fortune Electric Co., Limited	3,000	-	3,000	-
Gold Circuit Electronics Limited	23,300	3,000	10,000	16,300
Groundhog Inc.	14,000	1,000	-	15,000
Innodisk Corporation	13,260	1,000	-	14,260
Insyde Software Corporation	-	6,000	6,000	-
Kinik Company Limited	12,000	1,000	2,000	11,000
LITE-ON Technology Corporation	31,000	4,000	-	35,000
Shin Zu Shing Co., Limited	-	5,000	5,000	-
Silergy Corporation	3,000	-	3,000	-
SINBON Electronics Co., Limited	14,000	1,000	-	15,000
Taiwan Hon Chuan Enterprise Co., Limited	24,378	4,000	-	28,378
Taiwan Taxi Co., Limited	35,000	2,000	2,000	35,000
Tong Hsing Electronic Industries Limited	23,992	-	-	23,992
Unimicron Technology Corporation	14,150	-	14,150	-
Visual Photonics Epitaxy Co., Limited	13,000	-	13,000	-
Voltronic Power Technology	-	3,000	-	3,000
WinWay Technology Co., Limited	3,000	1,000	3,000	1,000

NIKKO AM HONG KONG INVESTMENT FUNDS
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NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025

Listed/Quoted investments (Continued)

	1 January 2025	Holdings		30 June 2025
		Additions	Disposals	
Listed equities (Continued)				
<u>Thailand</u>				
Moshi Moshi Retail Corporation - NVDR	-	60,400	-	60,400
Praram 9 Hospital Public Company Limited - NVDR	-	113,300	-	113,300
Thaifoods Group Public Company Limited - NVDR	934,900	-	934,900	-
<u>United States of America</u>				
Atour Lifestyle Holdings	-	1,888	1,888	-

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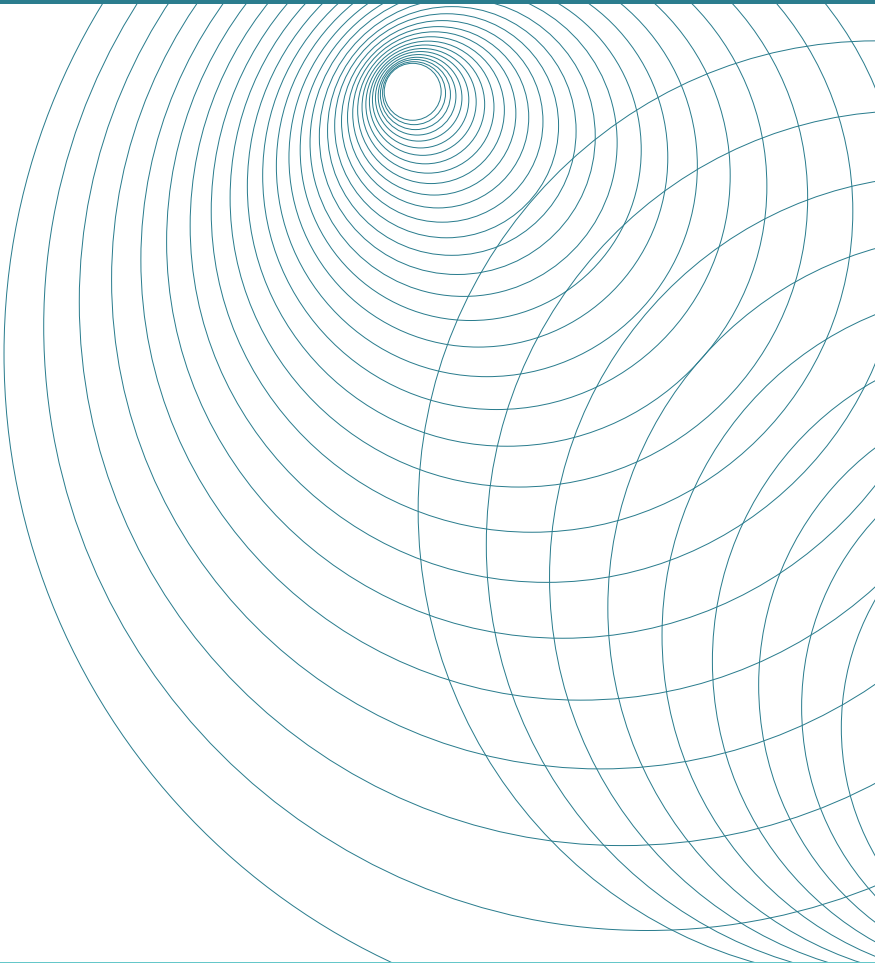
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Nikko Asset Management

ANNUAL REPORT
Nikko AM Hong Kong Investment Funds

For the financial year ended 31 December 2024



NIKKO AM ASIAN SMALL MID EQUITY FUND
(A sub-fund of Nikko AM Hong Kong Investment Funds)
(An umbrella unit trust established in Hong Kong)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

NIKKO AM ASIAN SMALL MID EQUITY FUND
(A sub-fund of Nikko AM Hong Kong Investment Funds)
(An umbrella unit trust established in Hong Kong)

REPORTS AND FINANCIAL STATEMENTS

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NIKKO AM ASIAN SMALL MID EQUITY FUND

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MANAGEMENT AND ADMINISTRATION

Directors of the Manager

Yasuaki Ogiwara (resigned on 30
September 2024)
Eleanor Seet Oon Hui
Kiyotaka Ryu

Manager

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Trustee, Administrator and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
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Legal Advisor

As to matters of Hong Kong law:
Deacons
5/F Alexandra House
18 Chater Road
Central
Hong Kong

NIKKO AM ASIAN SMALL MID EQUITY FUND
(A sub-fund of Nikko AM Hong Kong Investment Funds)
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REPORT OF THE MANAGER

Performance

Nikko AM Hong Kong Investment Funds (the “Fund”) is an umbrella unit trust governed by its Trust Deed dated 25 October 2016 (date of establishment), as amended from time to time (the “Trust Deed”). The Fund has only one sub-fund, Nikko AM Asian Small Mid Equity Fund (the “Sub-Fund”). For the financial year ended 31 December 2024, the Sub-Fund returned 2.11% in US dollar (USD) terms.

Some of the contributors included Dixon Technologies, JNBY Design, Stella International and iFamilySC. Detractors included Clio, Sunjuice, Openedge Technology and DreamTech.

Asian stocks largely rose in 2024, with the MSCI AC Asia ex-Japan Small Mid Cap Index (Net Total Return) returning 5.82% in USD terms.

Stocks in the region started the year on a positive note amid expectations of interest rate cuts by the US Federal Reserve (Fed), optimism over the health of the global economy as well as enthusiasm over the advent of artificial intelligence (AI) technology into the broader market. Equities rallied further into the second half of the year as eagerly-anticipated rate reductions from the Fed materialised, kicking off the start of an easing cycle worldwide. Towards the close of the period, investors did however take some profits off the table as Donald Trump’s US presidential election victory raised the spectre of further global trade disputes in the days ahead. Separately, the Fed signalled there will be fewer cuts in 2025 than previously expected. Slowing growth in Mainland China also remained an area of concern. Although Beijing attempted to address this with a range of policy measures, investors ultimately decided that not enough was being done to help the economy there.

Elsewhere in Asia, Taiwan emerged as the top performer in 2024, buoyed by its semiconductor companies amid the global AI boom and demand for related hardware and applications. In contrast, South Korea was worst performer over the year as a political crisis unfolded, which saw both the president, and then the acting president, impeached. The country’s “Corporate Value-up program” also failed to boost stocks thus far.

Within the region, the stock markets of Taiwan, Singapore and Malaysia were the best performers (as measured by the MSCI indices in USD terms), while South Korea, Indonesia and the Philippines were the laggards.

Review

Starting our review in Hong Kong, Stella International has been a solid contributor. The company is a prominent player in footwear and leather goods manufacturing. The company has been benefiting from market consolidation as well as the growth in luxury sportswear. Mr Stephen Chi (second generation leader) took over in 2019 and has since then announced a three-year plan, using Nike as an anchor customer, reducing exposure to low margin casual shoes and expanding the luxury and high-end segment. This initiative has driven margins, supporting growth. The company trades at 9.9x Price-to-Earnings FY25 with 7% dividend yield.

Dixon technologies in India has been a positive addition to the portfolio as well. The company is an electronic manufacturing services (EMS) company who benefits from India’s Productivity Linked Incentive (PLI) scheme. Dixon’s key customers include Samsung, Xiaomi, Panasonic, Nokia etc. The company is also looking to backward integrate its smartphone assembly business to drive margin expansion. Dixon trades at 69x Price-to-Earnings FY26.

NIKKO AM ASIAN SMALL MID EQUITY FUND
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REPORT OF THE MANAGER (CONTINUED)

Across in Korea, Hanmi Semiconductor was also a positive addition to the Fund. The company is the world's first developer of electromagnetic interference (EMI) shielding system and has a virtual monopoly. The company benefits from the growth in artificial intelligence (AI) as their equipment is used in the manufacturing of high-end memory bandwidth (HBM). Hanmi Semiconductor trades at 24x Price-to-Earnings FY25.

While the Fund has been done well in many instances, there were hard decisions that we had to undertake. In Taiwan, Sunjuice Holdings had been suffering due to weak consumption in China as well as competition which led to declining sales. We decided to exit from the position as sales continued to be weak and recovery did not seem to be nearing. In India, we exited from our position in Protean eGov, a software company as the main shareholders NSE Investments planned to offload their entire stake in the company. We viewed this change negatively as it meant that the company would no longer have a strong owner, and the future direction of the company was at risk. This is not an exhaustive review of the activities the Fund undertook during the review period, but an overview of some of the ideas that materialised from our meetings with company management, regular research and our endeavour to identify suitable investments for the Fund.

Outlook

After three years of tightening monetary policy, global central banks have started to ease, benefiting investment opportunities, particularly in twin deficit economies such as India and parts of ASEAN. However, this environment may be complicated by the unpredictable nature of Trump's return to power, which could increase market volatility due to his protectionist policies. Rate cut expectations are already being dialled back. Despite concerns about Trump's impact on emerging markets, historical data shows that during his first term, China, South Korea and Taiwan outperformed the S&P 500—despite being the most trade-sensitive equity markets. This time around, Chinese equities already reflect a higher risk premium for trade disruptions. Investing in companies with strong management and adaptability is crucial for mitigating risks and seizing opportunities. In China, opportunities lie in self-sufficiency and industries that have consolidated. Supply chain diversification is essential, especially in regions with minimal trade balances with the US. We continue to be bottom-up focused and concentrate on companies with sustainable earning growth which display positive fundamental change that are undervalued. We continue to be focused on the core fundamentals of companies, constructing the portfolio from a bottom-up perspective, while staying cognisant of macroeconomic risks. Areas that we like include the healthcare sector which benefits from demographic changes as well as the technology sector which benefits from the growth in AI.

NIKKO AM ASIAN SMALL MID EQUITY FUND
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REPORT OF THE MANAGER (CONTINUED)

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Past performance or any prediction, projection or forecast is not indicative of future performance

The Sub-Fund may use or invest in financial derivative instruments. The value of units and income from them may fall or rise. Investments in the Sub-Fund are subject to investment risks, including the possible loss of principal amount invested. You should read the relevant prospectus and product key facts sheet obtainable from appointed distributors of Nikko AM Hong Kong before investing.

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Nikko Asset Management Hong Kong Limited. Registration Number 30310338-000

NIKKO AM ASIAN SMALL MID EQUITY FUND

(A sub-fund of Nikko AM Hong Kong Investment Funds)

(An umbrella unit trust established in Hong Kong)

REPORT OF THE TRUSTEE

We hereby confirm that, in our opinion, the Manager has, in all material respects, managed Nikko AM Asian Small Mid Equity Fund, a sub-fund of Nikko AM Hong Kong Investment Funds, in accordance with the provisions of the Trust Deed dated 25 October 2016, as amended, for the year ended 31 December 2024.

On behalf of HSBC Institutional Trust Services (Asia) Limited
30 April 2025

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM ASIAN SMALL MID EQUITY FUND**
(A sub-fund of Nikko AM Hong Kong Investment Funds)
(An umbrella unit trust established in Hong Kong)

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of Nikko AM Asian Small Mid Equity Fund (the "Sub-Fund"), a sub-fund of Nikko AM Hong Kong Investment Funds, which are set out on pages 9 to 29, comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2024, and of its financial transactions and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Sub-Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

The Trustee and the Manager (the "Management") of the Sub-Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM ASIAN SMALL MID EQUITY FUND (CONTINUED)**
(A sub-fund of Nikko AM Hong Kong Investment Funds)
(An umbrella unit trust established in Hong Kong)

Responsibilities of the Management for the Financial Statements

The Management of the Sub-Fund is responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines 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 Management of the Sub-Fund is responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 25 October 2016, as amended (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

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. We report our opinion 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM ASIAN SMALL MID EQUITY FUND (CONTINUED)**
(A sub-fund of Nikko AM Hong Kong Investment Funds)
(An umbrella unit trust established in Hong Kong)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and 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 Appendix E of the SFC Code.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 April 2025

NIKKO AM ASIAN SMALL MID EQUITY FUND
(A sub-fund of Nikko AM Hong Kong Investment Funds)
(An umbrella unit trust established in Hong Kong)
STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2024 US\$	As at 31 December 2023 US\$ Restated
Assets			
Financial assets at fair value through profit or loss	3(a)	7,620,249	7,497,138
Dividend receivable		696	2,094
Amount due from brokers		38,584	-
Other receivables	5	29,510	15,303
Cash and cash equivalents	3(c)	504,517	504,014
Total assets		<u>8,193,556</u>	<u>8,018,549</u>
Liabilities			
Amount due to brokers		38,422	21,386
Accrued expenses and other liabilities		59,822	57,060
Provision for taxation		120,738	64,777
Total liabilities		<u>218,982</u>	<u>143,223</u>
Equity			
Net assets attributable to unitholders		<u>7,974,574</u>	<u>7,875,326</u>

The financial statements on pages 9 to 29 were approved by the Trustee and the Manager on 30 April 2025.

.....
HSBC Institutional Trust Services (Asia) Limited
as the Trustee

.....
Nikko Asset Management Hong Kong Limited
as the Manager

The notes on pages 13 to 29 form an integral part of these financial statements.

NIKKO AM ASIAN SMALL MID EQUITY FUND
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STATEMENT OF COMPREHENSIVE INCOME

	Note	31 December 2024 US\$	31 December 2023 US\$ Restated
Income			
Dividend income		171,089	148,313
Interest income	7	5,839	4,959
Net foreign currency losses on cash and cash equivalents		(19,549)	(9,861)
Net changes in fair value on financial assets at fair value through profit or loss	4	315,769	1,371,881
Other income	5	88,048	58,081
Total income		<u>561,196</u>	<u>1,573,373</u>
Expenses			
Management fee	6(a)	124,118	109,674
Trustee fee	6(b)	39,270	39,249
Auditor's fee		20,350	21,460
Transaction costs		53,522	37,785
Legal and other professional fees		29,801	2,452
Safe custody and bank charges	7	37,729	28,487
Other operating expenses		2,766	2,621
Total expenses		<u>307,556</u>	<u>241,728</u>
Income before tax		253,640	1,331,645
Withholding tax on dividend income	9	(21,384)	(19,992)
Capital gain tax	9	(119,960)	(71,198)
Total comprehensive income		<u><u>112,296</u></u>	<u><u>1,240,455</u></u>

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	Note	31 December 2024 US\$	31 December 2023 US\$ Restated
Balance at the beginning of the year		7,875,326	6,634,871
Redemption of units		(13,048)	-
Net change from unit transactions		(13,048)	-
Total comprehensive income		112,296	1,240,455
Balance at the end of the year		<u>7,974,574</u>	<u>7,875,326</u>
		31 December 2024	31 December 2023
Units outstanding at the beginning of the year		320,246.53	320,246.53
Units redeemed		(510.12)	-
Units outstanding at the end of the year		<u>319,736.41</u>	<u>320,246.53</u>

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NIKKO AM ASIAN SMALL MID EQUITY FUND
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STATEMENT OF CASH FLOWS

	31 December 2024 US\$	31 December 2023 US\$ Restated
Cash flows from operating activities		
Total comprehensive income	112,296	1,240,455
Adjustments for:		
Dividend income	(171,089)	(148,313)
Interest income	(5,839)	(4,959)
Withholding tax on dividend income and government tax duties	141,344	91,190
Net increase in financial assets at fair value through profit or loss	(123,111)	(1,205,937)
Net increase in dividend receivable and other receivables	(14,207)	(2,999)
Net increase in amount due from brokers	(38,584)	-
Net increase in accrued expenses and other liabilities	2,762	6,172
Net increase in amount due to brokers	17,036	21,386
	<hr/>	<hr/>
Cash used in operating activities	(79,392)	(3,005)
Dividend received	172,487	148,989
Interest received	5,839	4,959
Withholding tax and government tax duties paid	(85,383)	(26,413)
	<hr/>	<hr/>
Net cash generated from operating activities	13,551	124,530
	-----	-----
Cash flows from financing activities		
Payments on redemption of units	(13,048)	-
	<hr/>	<hr/>
Net cash used in financing activities	(13,048)	-
	-----	-----
Net increase in cash and cash equivalents	503	124,530
Cash and cash equivalents at the beginning of the year	504,014	379,484
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	504,517	504,014
	<hr/> <hr/>	<hr/> <hr/>
Representing		
Bank balances	504,517	504,014
	<hr/> <hr/>	<hr/> <hr/>

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NIKKO AM ASIAN SMALL MID EQUITY FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1 General

Nikko AM Hong Kong Investment Funds (the “Fund”) is an umbrella unit trust governed by its Trust Deed dated 25 October 2016, as amended (the “Trust Deed”). The Fund has only one sub-fund, Nikko AM Asian Small Mid Equity Fund (the “Sub-Fund”), in respect of which one class of units was issued. The Sub-Fund was established on 25 October 2016 and its units were first issued on 18 January 2017.

The Fund is authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) under Section 104(1) of the Hong Kong Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC.

The investment objective of the Sub-Fund is to achieve medium to long-term capital appreciation and the investment focus is to invest primarily in securities issued by:

- (a) small to medium sized companies that are listed in Asia ex Japan; or
- (b) companies that have their registered offices in Asia ex Japan or that generate a predominant share of their sales and/or their profit in Asia ex Japan.

Nikko Asset Management Hong Kong Limited, a company incorporated under the laws of Hong Kong, is the manager of the Sub-Fund (the “Manager”). The Manager is responsible for, among other things, providing investment management services, investment advice and administrative services to the Sub-Fund and arranging for the execution of the Sub-Fund’s securities transactions. Nikko Asset Management Asia Limited acts as the Investment Sub-Manager of the Sub-Fund. The Investment Sub-Manager, whose principal activities consist of the business of fund management, dealing in securities and trading in futures contracts, was incorporated in Singapore on 16 June 1982 as a public company limited by shares under the laws of Singapore.

2 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”) (collectively, the “Management”) to exercise their judgment in the process of applying the Sub-Fund’s accounting policies. As at 31 December 2024 and 2023, there were no significant judgments or estimates involved in the determination of the values of assets and liabilities reported in the financial statements.

All references to net asset value (“NAV”) throughout these financial statements refer to net assets attributable to unitholders (valued in accordance with the explanatory memorandum) unless otherwise stated.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2 Summary of material accounting policies (Continued)

(a) Basis of preparation (Continued)

- (i) Standard and amendment to existing standards effective 1 January 2024

There are no relevant new standards or amendments to existing standards that are effective for the first time for the financial year beginning on 1 January 2024 that have a material impact on the financial statements of the Sub-Fund.

- (ii) New standards and amendments not yet adopted

The following relevant new standards and amendments to standards have been issued but are not effective for the financial year ended 31 December 2024 and have not been early adopted. The Sub-Fund is currently assessing the impact of these new standards and amendments to standards on its financial position and results of operations:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7 (2026)
- HKFRS 18, 'Presentation and Disclosure in Financial Statements' (2027)

Other than the above, no other new standards or amendments to standards are expected to have a material effect on the financial statements of the Sub-Fund.

- (iii) Prior year adjustments

During the year ended 31 December 2024, management of the Sub-Fund noted that there was an under accrual of deferred tax liability occurred from the net unrealized gains of investments in Indian securities. Accordingly, management of the Sub-Fund considered that it is appropriate to make relevant prior year adjustments to correctly recognize the deferred tax liability. As such, the Sub-Fund has restated its deferred tax liability as at 31 December 2023 from nil to US\$64,777 and the corresponding government tax duties was adjusted from US\$6,421 to US\$71,198 in order to correct a prior year misstatement. The management considered the effects of the adjustments and concluded that the adjustments did not affect the opening balance of the financial statements for the year ended 31 December 2023. As a result, the opening balance of the financial statements during the year ended 31 December 2023 has not been presented.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2 Summary of material accounting policies (Continued)

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Sub-Fund are measured using the currency of the primary economic environment in which it operates (the “functional currency”). The Manager considers the United States dollar (“US\$”) as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in United States dollars, the Sub-Fund’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rates prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within net foreign currency gains or losses on cash and cash equivalents.

Foreign exchange gains and losses relating to financial assets carried at fair value through profit or loss are presented in the statement of comprehensive income within net changes in fair value on financial assets at fair value through profit or loss.

(c) Financial assets at fair value through profit or loss

(i) Classification

The Sub-Fund classifies its investments based on both the Sub-Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund primarily focuses on fair value information and uses that information to assess the assets’ performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as measured at fair value through other comprehensive income.

(ii) Recognition/derecognition

Regular purchases and sales of investments are recognised on the trade date - the date on which the Sub-Fund commits to purchase or sell the investment. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2 Summary of material accounting policies (Continued)

(c) Financial assets at fair value through profit or loss (Continued)

(iii) Measurement

Financial assets at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the statement of comprehensive income in the period in which they arise.

(iv) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the close of trading on the reporting date. The Sub-Fund utilises the last traded market price for listed financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets that are not traded in an active market (such as over-the-counter derivatives) is determined by using valuation techniques commonly used by market participants. Such valuation techniques include, but are not limited to, the following:

- Securities which are not listed on a securities exchange or are thinly traded are valued by using quotes from brokers.
- In the absence of quoted values or brokers' representative prices, securities are valued using appropriate valuation techniques as reasonably determined by the Manager.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Sub-Fund or the counterparty.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(f) Accrued expenses and other liabilities

Accrued expenses and other liabilities are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS
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2 Summary of material accounting policies (Continued)

(g) Income and expenses

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income when the Sub-Fund's right to receive payment is established and is stated gross of withholding tax.

Interest income is recognised on a time-proportionate basis using the effective interest method.

Expenses are accounted for on an accrual basis in the statement of comprehensive income.

(h) Transaction costs

Transaction costs are costs incurred to acquire financial assets at fair value through profit or loss. They include the bid-ask spread, and fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs are expensed as incurred in the statement of comprehensive income.

(i) Proceeds and payments on issue and redemption of units

The Sub-Fund's redeemable units, which are redeemable at the unitholder's option, represents puttable financial instruments. Puttable financial instruments are classified as equity in accordance with HKAS 32 (Amendment), "Financial instruments: Presentation" if they meet all the following criteria:

- The puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- The puttable financial instruments are the most subordinated units in issue and unit features are identical;
- There are no contractual obligations to deliver cash or another financial asset; and
- The total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of the Sub-Fund.

Otherwise, puttable financial instruments are classified as financial liability.

All proceeds and payments for units issued and redeemed are shown as movements in the statement of changes in net assets attributable to unitholders. The NAV of the Sub-Fund is computed daily. Prices for issues and redemptions are based on the latest available preceding valuation.

The Sub-Fund issues one class of units, which are redeemable at the unitholder's option and are classified as equity. Units can be put back to the Sub-Fund on any dealing day for cash equal to a proportionate share of the Sub-Fund's NAV.

Units are issued and redeemed at the unitholder's option at prices based on the Sub-Fund's NAV per unit at the time of issue or redemption. The Sub-Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders (valued in accordance with the explanatory memorandum) with the total number of outstanding units. In accordance with the provisions of the Sub-Fund's explanatory memorandum, investment positions are valued based on the last traded market price for the purpose of determining the NAV per unit for subscriptions and redemptions.

(j) Taxation

The Sub-Fund currently incur withholding taxes imposed by certain countries on investment income and capital gains from the transfer of securities. Such income or gains are recorded gross of withholding taxes and capital gains tax in the statement of comprehensive income.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

3 Financial risk management

The Sub-Fund's activities expose it to a variety of financial risks: market risk (including market price risk, currency risk and interest rate risk), credit/custody risk and liquidity risk.

The Sub-Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Sub-Fund's financial performance. The risk management policies employed by the Manager to manage these risks are discussed below.

(a) Market price risk

At the reporting date, the Sub-Fund's overall market positions by securities types are as follows:

	As at 31 December 2024 US\$	As at 31 December 2023 US\$
Listed equities		
China	269,740	40,519
Hong Kong	645,300	613,988
India	2,397,890	2,039,966
Indonesia	282,256	219,739
Malaysia	143,758	39,150
Philippines	143,809	-
Singapore	371,152	227,503
South Korea	1,196,503	1,773,973
Taiwan	2,077,037	2,542,300
Thailand	92,804	-
	<u>7,620,249</u>	<u>7,497,138</u>

Market price risk is the risk of loss of the value of a financial instrument resulting from changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

All securities investments present a risk of loss of capital. The Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits. The Sub-Fund's equity securities investments are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Sub-Fund's overall market positions are monitored on a daily basis and reviewed formally on a regular basis by the Manager.

The Sub-Fund's market price risk is managed through diversification of the investment portfolio ratios by exposures to different industries. The Manager believes that active management based on in-depth fundamental stock research can add value to investors. As the Sub-Fund invests primarily in the listed equities of small to medium sized companies in Asia ex Japan, the Manager considers that the market price risk of the Sub-Fund is best reflected by movements in the MSCI AC Asia ex Japan SMID Cap Index.

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3 Financial risk management (Continued)

(a) Market price risk (Continued)

As at 31 December 2024, a 14% (2023: 17%) fall or rise in the MSCI AC Asia ex Japan SMID Cap Index, with all other variables held constant, would have decreased or increased the NAV by US\$1,066,835 (2023: US\$1,124,571).

There is no exposure to individual investments/issuers representing more than 10% of the Sub-Fund's NAV at the reporting date.

The table below discloses the financial assets at fair value through profit or loss of the Sub-Fund by industrial sectors at the reporting date.

	As at 31 December 2024		As at 31 December 2023	
	US\$	% of NAV	US\$	% of NAV Restated
Communication services	217,402	2.73	190,608	2.42
Consumer discretionary	1,247,900	15.65	1,663,855	21.13
Consumer staples	2,440,311	30.60	769,879	9.77
Financials	542,868	6.81	404,105	5.13
Healthcare	-	-	1,085,273	13.78
Industrials	1,723,425	21.61	1,058,138	13.44
Information technology	937,695	11.76	1,733,905	22.02
Materials	243,221	3.05	261,521	3.32
Oil & Gas	111,096	1.39	-	-
Real estate	68,447	0.86	229,136	2.91
Utility	87,884	1.10	100,718	1.28
	<u>7,620,249</u>	<u>95.56</u>	<u>7,497,138</u>	<u>95.20</u>

(b) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Sub-Fund may invest in assets denominated in currencies other than its functional currency, the United States dollar. Consequently, the Sub-Fund is exposed to risks that the exchange rate of the United States dollar relative to other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Sub-Fund's assets which are denominated in currencies other than the United States dollar.

To minimise currency risk, the Sub-Fund holds its excess cash mainly in its functional currency and executes foreign exchange contracts to facilitate trade settlements. For hedging purposes, the Sub-Fund may enter into forward foreign exchange contracts.

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**NOTES TO THE FINANCIAL STATEMENTS
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3 Financial risk management (Continued)

(b) Currency risk (Continued)

The table below summarises the Sub-Fund's monetary and non-monetary currency risk exposures. All exposures are stated in United States dollar equivalents.

	As at 31 December 2024		As at 31 December 2023	
	Monetary US\$	Non- monetary US\$	Monetary US\$	Non- monetary US\$
Assets				
Hong Kong dollar	-	645,300	-	613,988
Singapore dollar	-	371,152	-	227,503
South Korean won	39,280	1,196,503	1,273	1,773,973
Taiwan dollar	99,516	2,077,037	136,791	2,542,300
Indian rupee	15,611	2,397,890	13,750	2,039,966
Others	10,185	932,367	4,752	299,408
	<u>164,592</u>	<u>7,620,249</u>	<u>156,566</u>	<u>7,497,138</u>

The table below summarises the Sub-Fund's sensitivity to foreign currencies exposure with all variables held constant. Changes in foreign exchange rate are revised annually depending on the Manager's current view of market volatility and other relevant factors.

	As at 31 December 2024		As at 31 December 2023	
	Reasonably possible change +/-	Estimated impact on NAV US\$ +/-	Reasonably possible change +/-	Estimated impact on NAV US\$ +/-
Net currency exposures				
Singapore dollar	6%	21,805	5%	10,727
South Korean won	10%	120,249	9%	167,495
Taiwan dollar	8%	167,268	8%	201,802
Indian Rupee	4%	104,203	4%	91,390
Others	8%	72,674	8%	23,626

The Hong Kong dollar is currently pegged with the United States dollar within a narrow range, so it is not included in the sensitivity analysis above.

(c) Interest rate risk

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

The majority of the Sub-Fund's financial assets and liabilities are non-interest bearing except for the cash and cash equivalents. As a result, the Manager considers that the Sub-Fund is not currently subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any temporary excess cash and cash equivalents are invested at short-term market interest rates where appropriate.

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**NOTES TO THE FINANCIAL STATEMENTS
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3 Financial risk management (Continued)

(c) Interest rate risk (Continued)

As at 31 December 2024, the Sub-Fund's cash balance was US\$504,517 (2023: US\$504,014). A change in interest rate levels within the range foreseen by the Manager for the next 12 months is considered not to have a material impact on the Sub-Fund.

(d) Credit/custody risk

Credit/custody risk is the risk that a counterparty to a financial instrument will cause the Sub-Fund a financial loss by failing to discharge its obligations. The Sub-Fund seeks to minimise this risk of loss by careful selection of counterparties and by minimising the reliance placed on individual counterparties.

All trade settlements with approved counterparties are on delivery versus payment and/or receipt versus payment basis, with exceptions of IPOs, new issues and placement transactions. Hence, the risk of default is minimised, as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. The counterparty risk is minimised as all the investments and cash are held with financial institutions that the Manager considers as reputable.

In accordance with the Sub-Fund's policy, the Manager has controls in place to assess the creditworthiness of counterparties and the Manager reviews such controls on a semi-annual basis.

Credit/custody risk arises from cash and cash equivalents, and credit exposures to brokers arising from outstanding and committed transactions. The Sub-Fund is also exposed to the risk that its assets held with the custodian may not be recoverable in the event of default by the custodian.

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any expected credit losses. At 31 December 2024 and 2023, dividend receivables, other receivables and cash and cash equivalents are held with counterparties with credit rating at or above investment grade and are due to be settled within 1 month. Applying the requirement of HKFRS 9, the expected credit loss is immaterial for the Sub-Fund and, as such, no expected credit loss has been recognized within the financial statements.

The table below summarises the credit rating of banks and custodians in which the Sub-Fund's assets are held.

	As at 31 December 2024		As at 31 December 2023	
	US\$	Credit rating	US\$	Credit rating
Custodian				
HSBC Institutional Trust Services (Asia) Limited	7,620,249	Aa3	7,497,138	Aa3
Bank				
The Hongkong and Shanghai Banking Corporation Limited	504,517	Aa3	504,014	Aa3

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**NOTES TO THE FINANCIAL STATEMENTS
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3 Financial risk management (Continued)

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in settling a liability, including a redemption request.

The Sub-Fund is exposed to daily cash redemptions from unitholders. The Manager with the approval of the Trustee may limit redemptions to 10% of the total number of units of the Sub-Fund in issue on any dealing day. The Sub-Fund has the ability to borrow up to 10% of its NAV to enhance its liquidity in meeting redemptions. As at 31 December 2024, an affiliate of the Manager was holding 93.83% (2023: 93.68%) of the net assets of the Sub-Fund.

The Manager manages liquidity risk by maintaining sufficient cash and marketable securities to meet the normal operating commitments. Cash and cash equivalents have maturity of less than three months and the majority of the Sub-Fund's investments are traded in active markets and can be readily disposed of.

Notwithstanding, certain types of assets or securities may be difficult to buy or sell, particularly during adverse market conditions. This may affect the ability to obtain prices for components of the underlying assets of the Sub-Fund and may therefore affect the value of those assets and the ability of unitholders to realise their units. Investments which are neither listed nor quoted are restricted to a maximum of 10% of the Sub-Fund's NAV.

To manage liquidity risk, a cash buffer is maintained in the Sub-Fund and monitored for minimum cash balances so as to guard against any extensive disposition of assets which may occur at lower prices and for overdraft situations to meet trade settlements and obligations.

The table below analyses the Sub-Fund's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

	Less than 3 months US\$	More than 3 months and less than 1 year US\$	Total US\$
As at 31 December 2024			
Accrued expenses and other liabilities	59,822	-	59,822
Amount due to brokers	38,422	-	38,422
	<u>98,244</u>	<u>-</u>	<u>98,244</u>
As at 31 December 2023			
Accrued expenses and other liabilities	57,060	-	57,060
Amount due to brokers	21,386	-	21,386
	<u>78,446</u>	<u>-</u>	<u>78,446</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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3 Financial risk management (Continued)

(e) Liquidity risk (Continued)

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to realise within one month or less. The table below illustrates the expected liquidity of assets held.

	Less than 1 month US\$	More than 1 month and less than 1 year US\$	Total US\$
As at 31 December 2024			
Financial assets at fair value through profit or loss	7,620,249	-	7,620,249
Dividend receivable	696	-	696
Other receivables	29,510	-	29,510
Amount due from brokers	38,584	-	38,584
Cash and cash equivalents	504,517	-	504,517
	<u>8,193,556</u>	<u>-</u>	<u>8,193,556</u>
As at 31 December 2023			
Financial assets at fair value through profit or loss	7,497,138	-	7,497,138
Dividend receivable	2,094	-	2,094
Other receivables	15,303	-	15,303
Cash and cash equivalents	504,014	-	504,014
	<u>8,018,549</u>	<u>-</u>	<u>8,018,549</u>

(f) Fair value estimation

The carrying amounts of assets and liabilities other than financial assets at fair value through profit or loss are reasonable approximations of their fair value.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the close of trading on the reporting date. The Sub-Fund has valued listed financial assets and liabilities using last traded prices. If a significant movement in fair value occurs subsequent to the close of trading on the reporting date, valuation techniques will be applied to determine the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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3 Financial risk management (Continued)

(f) Fair value estimation (Continued)

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

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

The table below analyses within the fair value hierarchy the Sub-Fund's financial assets (by class) measured at fair value at the reporting date.

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
As at 31 December 2024				
Listed equities	7,620,249	-	-	7,620,249
Total financial assets at fair value through profit or loss	<u>7,620,249</u>	<u>-</u>	<u>-</u>	<u>7,620,249</u>
As at 31 December 2023				
Listed equities	7,497,138	-	-	7,497,138
Total financial assets at fair value through profit or loss	<u>7,497,138</u>	<u>-</u>	<u>-</u>	<u>7,497,138</u>

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3 Financial risk management (Continued)

(g) Capital risk management

The Sub-Fund's capital is represented by the net assets attributable to unitholders. The Sub-Fund strives to invest the subscriptions in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

4 Net changes in fair value on financial assets at fair value through profit or loss

	For the year ended 31 December 2024 US\$	For the year ended 31 December 2023 US\$
Net realised gain /(loss) on investments	449,092	(109,304)
Net change in unrealised (loss)/gain on investments	(133,323)	1,481,185
	<u>315,769</u>	<u>1,371,881</u>

5 Other income

In accordance with the explanatory memorandum, aggregate expenses over 2% of the average NAV in respect of the Sub-Fund will be reimbursed by the Manager. The Manager may remove the cap of 2% upon obtaining the SFC's prior approval and giving one month's prior written notice to the unitholders of the Sub-Fund.

Expenses reimbursement by the Manager for the year ended 31 December 2024 was US\$88,048 (2023: US\$58,081), of which US\$29,510 (2023: US\$15,303) was outstanding as at 31 December 2024.

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6 Fees

(a) Management fee

In accordance with the explanatory memorandum, the Manager is entitled to receive a management fee of up to 2% per annum of the NAV of the Sub-Fund, calculated and accrued on each dealing day and payable monthly in arrears. In respect of the Sub-Fund, the Manager currently charges a rate of 1.5% per annum.

Management fee charged for the year ended 31 December 2024 was US\$124,118 (2023: US\$109,674), of which US\$31,121 (2023: US\$28,926) was outstanding as at 31 December 2024.

(b) Trustee fee

In accordance with the explanatory memorandum, the maximum trustee fee is 1% per annum of the NAV of the Sub-Fund. Currently, the Trustee is entitled to receive a fee of 0.125% per annum on the first US\$40 million of the NAV of the Sub-Fund and 0.1% per annum thereafter, subject to a minimum of US\$22,500 per annum. The fee is calculated and accrued on each dealing day and payable monthly in arrears.

Trustee fee charged for the year ended 31 December 2024 was US\$22,500 (2023: US\$22,500), of which US\$1,967 (2023: US\$1,911) was outstanding as at 31 December 2024.

The Trustee is also entitled to receive valuation, registration and processing fees. The valuation fee is US\$50 for each daily valuation per fund in accordance with the Fee Proposal and Terms entered on 27 April 2016.

Valuation fee charged for the year ended 31 December 2024 was US\$11,950 (2023: US\$11,950), which is recorded as part of the trustee fee in the statement of comprehensive income, of which US\$1,000 (2023: US\$1,000) was outstanding as at 31 December 2024. Registration fee charged for the year ended 31 December 2024 was US\$2,000 (2023: US\$2,000), which is recorded as part of the trustee fee in the statement of comprehensive income, of which US\$175 (2023: US\$170) was outstanding as at 31 December 2024.

In addition, the Trustee is entitled to receive transaction fees for each subscription, redemption and transfer of units of the Sub-Fund. Transaction fee charged for the year ended 31 December 2024 was US\$21 (2023: Nil) in the statement of comprehensive income, of which US\$21 (2023: Nil) was outstanding as at 31 December 2024.

The Trustee is also entitled to receive financial reporting fees for financial reporting preparation of the Sub-Fund.

Financial reporting fee charged for the year ended 31 December 2024 was US\$2,799 (2023: US\$2,799), which is recorded as part of the trustee fee in the statement of comprehensive income, of which US\$2,799 (2023: US\$2,799) was outstanding as at 31 December 2024.

The total fee that was entitled by the Trustee for the year ended 31 December 2024 was US\$39,270 (2023: US\$39,249), of which US\$5,962 (2023: US\$5,880) was outstanding as at 31 December 2024.

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7 Transactions with related parties or connected persons

Related parties are those parties which have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Connected persons of the Trustee and Manager are those as defined in the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong. The related parties or connected persons of the Sub-Fund include the Manager, the Investment Sub-Manager, the Trustee and their connected persons. All such transactions entered into during the year were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund did not have any other transactions with related parties or connected persons except for those disclosed.

Refer to note 3(e) for units of the Sub-Fund held by related parties or connected persons as at 31 December 2024 and 2023. Refer to notes 5 and 6 for transactions with related parties or connected persons during the years ended 31 December 2024 and 2023. As at 31 December 2024, an affiliate of the Manager held 300,000 units (2023: 300,000 units) in the Sub-Fund. During the years ended 31 December 2024 and 2023, there were no purchase or sales of units of the Sub-Fund by the affiliate of the Manager. The net realised gains/(losses) and the net unrealised gains/(losses) of the affiliate of the Manager amounted to nil (2023: nil) and US\$ 4,596,600 (2023: US\$ 4,439,100) respectively.

In addition, investments are held with the Trustee and bank balances are held with a bank which is a related party of the Trustee. Refer to note 3(d). Interest income arising from these bank balances amounted to US\$5,839 (2023: US\$4,959) for the year ended 31 December 2024. Expenses paid to a related party of the Trustee relating to safe custody and bank charges amounted to US\$37,729 (2023: US\$28,487) for the year ended 31 December 2024, of which US\$3,127 (2023: US\$1,820) was outstanding as at 31 December 2024.

8 Number of units in issue and net assets attributable to unitholders

In accordance with the provisions of the Trust Deed and the explanatory memorandum, listed investments are stated at the last traded price on the valuation day for the purpose of determining the NAV per unit for subscriptions and redemptions and for various fees calculation. The Sub-Fund has valued listed financial assets and liabilities using last traded prices. This is consistent with the inputs prescribed in the Sub-Fund's offering document for the calculation of its per unit trading value. The movements in number of units for the period are as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Units outstanding at the beginning of the year	320,246.53	320,246.53
Redemptions	(510.12)	-
	<hr/>	<hr/>
Units outstanding at the end of the year	319,736.41	320,246.53
	<hr/> <hr/>	<hr/> <hr/>
	As at 31 December 2024 US\$	As at 31 December 2023 US\$ Restated
Net assets attributable to unitholders per unit	24.941	24.591
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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8 Number of units in issue and net assets attributable to unitholders (Continued)

According to the Prospectus of the Sub-Fund, the Manager is authorized to exclude any deferred tax liability from the calculation of the dealing net asset value and that is not recognized in accordance to HKFRS which require recognition for all taxable temporary differences. To the extent that the accounting basis adopted by the Sub Funds deviate from HKFRS, the Manager may make necessary adjustments in the annual financial statements for the financial statements to be in compliance with HKFRS. A reconciliation of the net asset value as reported in the Statement of Financial Position to the net asset value as determined for the purpose of processing unit subscription and redemption is provided below:

	As at 31 December 2024 US\$	As at 31 December 2023 US\$ Restated
Accounting net assets attributable to unitholders as reported in the statement of financial position (in accordance with HKFRS)	7,974,574	7,875,326
Adjustment for provision for taxation (Note a)	120,738	64,777
	<hr/>	<hr/>
Net assets attributable to unitholders (in accordance with Prospectus)	<u>8,095,312</u>	<u>7,940,103</u>
	<hr/>	<hr/>
Net assets attributable to unitholders per unit	<u>25.319</u>	<u>24.794</u>

Note a:

The adjustment represents the deferred tax liability occurred from the net unrealised gain on investments which recognized in accordance with HKAS 12 Income Taxes.

9 Taxation

Hong Kong

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

India

Effective 1 April 2019 and before 23 July 2024, short-term capital gains arising from the sale of listed equity shares held for less than 12-months are taxed at 15% (plus applicable surcharge and cess) where Securities Transaction Tax has been charged. Long-term capital gains arising from the sale of listed equity shares held for more than 12-months are taxed at 10% (plus applicable surcharge and cess as applicable).

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9 Taxation (Continued)

Effective 23 July 2024, short-term capital gains arising from the sale of listed equity shares held for less than 12-months are taxed at 20% (plus applicable surcharge and cess, totaling 21.84%) where Securities Transaction Tax in India has been charged. Long-term capital gains arising from the sale of listed equity shares held for more than 12-months are taxed at 12.5% (plus surcharge and cess, totaling 13.65%) of Securities Transaction Tax in India. As at 31 December 2024, the Sub-fund has made a tax provision of US\$119,960 (2023 (restated): US\$71,798) for both net realized and unrealized short-term gains and long-term gains.

Other Jurisdiction

The Sub-Fund is subject to capital gain tax under the current laws. Dividend and interest income on, and proceeds from the sale of, certain securities which the Sub-Fund may own may be subject to withholding tax which would reduce net proceeds.

10 Soft commission arrangements

With effect from 25 January 2018, the Manager and its connected persons have ceased to enter into any soft commission arrangements with brokers in relation to dealings in the assets of the Sub-Fund.

11 Approval of financial statements

The financial statements were approved by the Trustee and the Manager on 30 April 2025.

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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2024

Listed/Quoted investments

	Holdings	Fair value US\$	% of NAV
Listed equities			
<u>China</u>			
Shenzhen Fuanna Bedding and Furnishing Co., Limited - A	46,200	55,859	0.70%
Sunresin New Materials Co., Limited - A	4,900	32,082	0.40%
Zhejiang Cayi Vacuum Container Co., Limited - A	5,600	88,579	1.11%
Zhejiang Weixing Industrial Development Co., Limited - A	48,100	93,220	1.17%
<u>Hong Kong</u>			
China Medical System Holdings Limited	89,000	86,563	1.09%
China Resources Beer Holdings	11,500	37,407	0.47%
China Resources Land Limited	19,000	55,194	0.69%
DPC Dash Limited	8,200	82,395	1.03%
Giant Biogene Holding Co., Limited	12,200	78,425	0.98%
JNBY Design Limited	49,500	111,848	1.40%
Miniso Group Holding Limited	9,200	55,762	0.70%
Stella International Holdings Limited	65,500	137,706	1.73%
<u>India</u>			
ABB India Limited	1,405	113,585	1.43%
Aegis Logistics Limited	11,584	111,096	1.39%
Arvind Smartspaces Limited	6,738	68,447	0.86%
AU Small Finance Bank Limited	5,465	35,736	0.45%
Balrampur Chini Mills Limited	6,057	37,532	0.47%
Delhivery Limited	17,021	68,909	0.86%
Devyani International Limited	29,370	62,672	0.79%
Dixon Technologies India Limited	602	126,286	1.58%
Entero Healthcare Solutions	2,385	39,726	0.50%
Godrej Properties Limited	3,654	119,084	1.49%
Great Eastern Shipping Co., Limited	4,920	55,356	0.69%
Indian Hotels Co., Limited	16,648	170,868	2.14%
Kalpataru Power Transmission	3,740	56,742	0.71%
KEI Industries Limited	1,892	98,175	1.23%
Krishna Institute of Medical Sciences Limited	16,725	116,975	1.47%
Mankind Pharma Limited	4,261	143,546	1.80%
Mrs Bectors Food Specialities Limited	5,629	107,878	1.35%
PB Fintech Limited	5,161	127,294	1.60%
Phoenix Mills Limited	6,168	117,875	1.48%
Piramal Pharma Limited	33,603	104,639	1.31%
Poly Medicare Limited	3,522	107,728	1.35%
Rainbow Childrens Medicare Limited	7,086	124,276	1.56%
Safari Industries India Limited	4,450	135,410	1.70%
Vijaya Diagnostic Centre Limited	11,978	148,055	1.86%
<u>Indonesia</u>			
Elang Mahkota Teknologi Tbk PT	2,492,400	76,000	0.95%
Indofood Sukses Makmur Tbk PT	174,300	83,180	1.04%
Medikaloka Hermina Tbk PT	453,600	45,824	0.58%
Sariguna Primatirta Tbk PT	791,400	77,252	0.97%

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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2024

Listed/Quoted investments (Continued)

	Holdings	Fair value US\$	% of NAV
Listed equities (Continued)			
<u>Malaysia</u>			
Hume Cement Industries Berhad	83,300	59,580	0.75%
Johor Plantations Group Berhad	278,100	84,178	1.05%
<u>Philippines</u>			
Manila Electric Co., Limited	10,420	87,884	1.10%
Oceanagold Philippines Inc.	230,800	55,925	0.70%
<u>Singapore</u>			
BRC Asia Limited	52,000	95,634	1.20%
DBS Group Holdings Limited	1,700	54,676	0.69%
Parkway Life Real Estate Investment Trust REIT	43,500	120,002	1.50%
Riverstone Holdings Limited	75,500	60,540	0.76%
Singapore Exchange Limited	4,300	40,300	0.51%
<u>South Korea</u>			
Binex Co., Limited	6,494	80,831	1.01%
CLIO Cosmetics Co., Limited	5,370	62,686	0.79%
Cosmax, Inc.	823	83,281	1.04%
Cosmecca Korea Co., Limited	1,132	42,485	0.53%
Dongkook Pharmaceutical Co., Limited	6,492	72,787	0.91%
EO Technics Co., Limited	583	55,078	0.69%
Hanwha Industrial Solutions	1,914	41,048	0.51%
HK inno.N Corporation	3,472	84,476	1.06%
HYBE Co., Limited	289	37,933	0.48%
Hyundai Motor Co., Limited	751	77,779	0.98%
iFamilySC Co., Limited	6,829	86,623	1.09%
LG Electronics Inc.	701	39,726	0.50%
Park Systems Corporation	371	53,254	0.67%
S.M. Entertainment Co., Limited	916	46,998	0.59%
Samyang Foods Co., Limited	127	65,937	0.83%
Sejin Heavy Industries Co., Limited	7,078	40,543	0.51%
ST Pharm Co., Limited	1,524	91,950	1.15%
T&L Co., Limited	1,753	79,593	1.00%
Techwing Inc.	2,050	53,495	0.67%

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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2024

Listed/Quoted investments (Continued)

	Holdings	Fair value US\$	% of NAV
Listed equities (Continued)			
<u>Taiwan</u>			
Accton Technology Corporation	6,000	141,402	1.77%
Chief Telecom Inc.	12,100	176,704	2.22%
Dingzing Advanced Materials Inc.	13,000	57,668	0.72%
DR WU Skincare Co., Limited	31,000	141,768	1.78%
Eclat Textile Co., Limited	5,000	77,591	0.97%
Elite Material Co., Limited	4,000	75,366	0.95%
eMemory Technology Inc.	1,000	102,287	1.28%
Fortune Electric Co., Limited	3,000	51,494	0.65%
Gold Circuit Electronics Limited	23,300	171,553	2.15%
Groundhog Inc.	14,000	62,317	0.78%
Innodisk Corporation	13,260	88,131	1.11%
Kinik Company Limited	12,000	104,817	1.31%
LITE-ON Technology Corporation	31,000	94,040	1.18%
Silergy Corporation	3,000	36,905	0.46%
SINBON Electronics Co., Limited	14,000	111,829	1.40%
Taiwan Hon Chuan Enterprise Co., Limited	24,378	109,627	1.38%
Taiwan Taxi Co., Limited	35,000	140,320	1.76%
Tong Hsing Electronic Industries Limited	23,992	101,673	1.28%
Unimicron Technology Corporation	14,150	60,828	0.76%
Visual Photonics Epitaxy Co., Limited	13,000	65,991	0.83%
WinWay Technology Co., Limited	3,000	104,726	1.31%
<u>Thailand</u>			
Thaifoods Group Public Company Limited - NVDR	934,900	92,804	1.16%
		<u>7,620,249</u>	<u>95.56%</u>
Total investments at cost		<u><u>6,322,720</u></u>	

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**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Listed/Quoted investments

	1 January 2024	Holdings		31 December 2024
		Additions	Disposals	
Listed equities				
China				
Shenzhen Fuanna Bedding and Furnishing Co., Limited – A	32,200	87,700	73,700	46,200
Sunresin New Materials Co., Limited - A	-	4,900	-	4,900
Zhejiang Cayi Vacuum Container Co., Limited - A	-	5,600	-	5,600
Zhejiang Weixing Industrial Development Co., Limited - A	-	55,300	7,200	48,100
Hong Kong				
China Medical System Holdings Limited	-	89,000	-	89,000
China Resources Beer Holdings	-	11,500	-	11,500
China Resources Land Limited	-	19,000	-	19,000
China State Construction Development Holdings Limited	242,000	-	242,000	-
China Water Affairs Group Limited	94,000	-	94,000	-
ClouDr Group Limited	32,800	-	32,800	-
DPC Dash Limited	-	8,200	-	8,200
Giant Biogene Holding Co., Limited	8,400	14,200	10,400	12,200
Horizon Robotics Inc.	-	102,600	102,600	-
JNBY Design Limited	75,000	-	25,500	49,500
Meitu, Inc.	79,000	-	79,000	-
Miniso Group Holding Limited	-	19,000	9,800	9,200
New Oriental Ed & Technology Gp Inc.	-	6,000	6,000	-
New World Development	-	50,000	50,000	-
Remegen Co., Limited – H	9,500	-	9,500	-
Samsonite International	33,600	-	33,600	-
Shenzhou International Group Holdings Limited	6,700	-	6,700	-
Stella International Holdings Limited	52,500	23,500	10,500	65,500
Uni-President China Holdings Limited	-	136,000	136,000	-
XTEP International Holdings Limited	-	117,990	117,990	-
Zoomlion Heavy Industry Science And Technology Co., Limited H-Shares	-	53,400	53,400	-

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**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Listed/Quoted investments (Continued)

	1 January 2024	Holdings		31 December 2024
		Additions	Disposals	
Listed equities (Continued)				
India				
ABB India Limited	1,551	107	253	1,405
Aegis Logistics Limited	11,610	2,063	2,089	11,584
Arvind Smartspaces Limited	-	6,738	-	6,738
Ashok Leyland Limited	35,641	-	35,641	-
AU Small Finance Bank Limited	-	5,465	-	5,465
Balrampur Chini Mills Limited	-	6,057	-	6,057
Bharat Petroleum Corporation Limited	-	9,166	9,166	-
Cera Sanitaryware Limited	1,392	304	1,696	-
CreditAccess Grameen Limited	6,678	-	6,678	-
Dabur India Limited	-	12,284	12,284	-
Delhivery Limited	-	17,021	-	17,021
Devyani International Limited	-	29,370	-	29,370
Dixon Technologies India Limited	1,472	-	870	602
Entero Healthcare Solutions	-	2,385	-	2,385
Eureka Forbes Limited	8,695	4,503	13,198	-
Federal Bank Limited	53,300	-	53,300	-
Five-Star Business Finance Limited	9,882	-	9,882	-
Godrej Consumer Products Limited	6,328	1,764	8,092	-
Godrej Properties Limited	3,654	-	-	3,654
Great Eastern Shipping Co., Limited	-	5,943	1,023	4,920
Indian Hotels Co., Limited	23,143	-	6,495	16,648
Kalpataru Power Transmission	-	3,740	-	3,740
KEI Industries Limited	2,826	427	1,361	1,892
KPIT Technologies Limited	-	3,761	3,761	-
Krishna Institute of Medical Sciences Limited	-	16,725	-	16,725
Krishna Institute of Medical Sciences Ltd	4,083	-	4,083	-
Mankind Pharma Limited	-	4,261	-	4,261
Mastek Limited	-	1,137	1,137	-
Mrs Bectors Food Specialities Limited	2,866	4,322	1,559	5,629
PB Fintech Limited	9,828	-	4,667	5,161
Phoenix Mills Limited	5,213	3,084	2,129	6,168
Piramal Pharma Limited	-	50,363	16,760	33,603
Poly Medicare Limited	-	3,522	-	3,522
Protean EGOV Technologies Limited	-	7,666	7,666	-
Rainbow Childrens Medicare Limited	8,141	-	1,055	7,086
RITES Limited	17,140	5,014	22,154	-
Safari Industries India Limited	-	4,450	-	4,450
UNO Minda Limited	12,917	897	13,814	-
Vijaya Diagnostic Centre Limited	12,954	1,816	2,792	11,978

NIKKO AM ASIAN SMALL MID EQUITY FUND
(A sub-fund of Nikko AM Hong Kong Investment Funds)
(An umbrella unit trust established in Hong Kong)

**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Listed/Quoted investments (Continued)

	1 January 2024	Holdings		31 December 2024
		Additions	Disposals	
Listed equities (Continued)				
<u>Indonesia</u>				
Arwana Citramulia Tbk	1,533,900	-	1,533,900	-
Elang Mahkota Teknologi Tbk PT	-	2,492,400	-	2,492,400
Indofood Sukses Makmur Tbk PT	-	196,500	22,200	174,300
Map Aktif Adiperkasa Tbk	1,530,500	-	1,530,500	-
Medikaloka Hermina Tbk PT	747,200	523,300	816,900	453,600
Merdeka Copper Gold Tbk PT	-	422,500	422,500	-
Sariguna Primatirta Tbk PT	-	791,400	-	791,400
<u>Malaysia</u>				
Genetec Technology Berhad	76,300	-	76,300	-
Hume Cement Industries Berhad	-	83,300	-	83,300
Johor Plantations Group Berhad	-	322,600	44,500	278,100
<u>Philippines</u>				
GT Capital Holding Inc.	-	3,360	3,360	-
Manila Electric Co., Limited	-	10,420	-	10,420
Oceanagold Philippines Inc.	-	230,800	-	230,800
<u>Singapore</u>				
BRC Asia Limited	47,200	4,800	-	52,000
DBS Group Holdings Limited	-	1,700	-	1,700
First Resources Limited	76,100	-	76,100	-
Genting Singapore Limited	53,800	-	53,800	-
Mapletree PAN Asia Commercial Trust REIT	-	93,300	93,300	-
Parkway Life Real Estate Investment Trust REIT	-	43,500	-	43,500
Riverstone Holdings Limited	-	75,500	-	75,500

NIKKO AM ASIAN SMALL MID EQUITY FUND
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**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Listed/Quoted investments (Continued)

	1 January 2024	Holdings		31 December 2024
		Additions	Disposals	
Listed equities (Continued)				
<u>Singapore (Continued)</u>				
Singapore Exchange Limited	-	4,300	-	4,300
UMS Integration Limited	-	55,400	55,400	-
Yangzijiang Shipbuilding (Holdings) Limited	35,600	16,100	51,700	-
<u>South Korea</u>				
APR Corporation	-	444	444	-
BGF Retail Co., Limited	-	357	357	-
Binex Co., Limited	-	6,494	-	6,494
BORN Korea Co., Limited	-	972	972	-
Clio Cosmetics Co., Limited	5,659	634	923	5,370
Com2Us Corporation	-	2,260	2,260	-
Cosmax, Inc.	1,227	269	673	823
Cosmecca Korea Co., Limited	-	2,217	1,085	1,132
Crowdworks Inc.	-	1,338	1,338	-
Dongkook Pharmaceutical Co., Limited	-	6,492	-	6,492
Dreamtech Co., Limited	9,192	-	9,192	-
EO Technics Co., Limited	602	343	362	583
Fine M-Tec Co., Limited	11,412	-	11,412	-
Hanmi Semiconductor Co., Limited	2,657	494	3,151	-
Hanwha Industrial Solutions	-	1,914	-	1,914
HB Investment Inc	-	349	349	-
HD Hyundai Electric Co., Limited	-	146	146	-
HK inno.N Corporation	-	3,785	313	3,472
HPSP Co., Limited	4,302	2,634	6,936	-
HYBE Co., Limited	-	630	341	289
Hyundai Department Store Co., Limited	-	1,182	1,182	-
Hyundai Mipo Dockyard Co., Limited	1,067	712	1,779	-
Hyundai Motor Co., Limited	-	1,057	306	751
iFamilySC Co., Limited	4,736	5,909	3,816	6,829
Intellian Technologies, Inc.	1,098	1,187	2,285	-
Jeisys Medical Inc	15,880	2,711	18,591	-

NIKKO AM ASIAN SMALL MID EQUITY FUND
(A sub-fund of Nikko AM Hong Kong Investment Funds)
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**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Listed/Quoted investments (Continued)

	1 January 2024	Holdings		31 December 2024
		Additions	Disposals	
Listed equities (Continued)				
<u>South Korea (Continued)</u>				
Kolmar Korea Holdings Co., Limited	2,213	904	3,117	-
Kweather Co., Limited	-	586	586	-
LG Electronics Inc.	-	736	35	701
LS Industrial Systems Company Limited	-	808	808	-
Lunit Inc.	1,172	429	1,601	-
Myoung Shin Industrial Co., Limited	3,355	-	3,355	-
NEXTIN, Inc.	1,034	-	1,034	-
Nice Total Cash Management Co., Limited	-	10,563	10,563	-
Openedges Technology, Inc.	2,951	4,780	7,731	-
Park Systems Corporation	-	491	120	371
PSK Inc.	-	4,172	4,172	-
S.M. Entertainment Co., Limited	-	916	-	916
Samyang Foods Co., Limited	-	148	21	127
Sanil Electric Co., Limited	-	1,399	1,399	-
Sejin Heavy Industries Co., Limited	-	7,078	-	7,078
Shift Up Corporation	-	344	344	-
SPG Co., Limited	1,477	-	1,477	-
St Pharm Co., Limited	1,728	154	358	1,524
Sunjin Beauty Science Co., Limited	12,139	3,222	15,361	-
Synapsoft Corporation	-	575	575	-
T&L Co., Limited	3,283	580	2,110	1,753
Techwing Inc.	-	2,050	-	2,050
Wonik IPS Co., Limited	-	1,525	1,525	-
Wonik Materials Co., Limited	-	3,156	3,156	-
<u>Taiwan</u>				
Accton Technology Corporation	6,000	1,000	1,000	6,000
Alexander Marine Co., Limited	-	8,436	8,436	-
Alexander Marine Co., Limited RTS	-	436	436	-

NIKKO AM ASIAN SMALL MID EQUITY FUND
(A sub-fund of Nikko AM Hong Kong Investment Funds)
(An umbrella unit trust established in Hong Kong)

**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Listed/Quoted investments (Continued)

	1 January 2024	Holdings		31 December 2024
		Additions	Disposals	
Listed equities (Continued)				
Taiwan (Continued)				
Andes Technology Corp	8,000	-	8,000	-
Asia Vital Components	-	2,000	2,000	-
Bafang Yunji International Company Limited	16,000	-	16,000	-
Chailease Holdings Co., Limited	14,093	-	14,093	-
Chief Telecom Inc.	12,100	1,000	1,000	12,100
CTCI Corporation	80,000	11,000	91,000	-
Dingzing Advanced Materials Inc.	-	13,000	-	13,000
DR WU Skincare Co., Limited	30,000	1,000	-	31,000
Eclat Textile Co., Limited	-	6,000	1,000	5,000
Elite Material Co., Limited	-	4,000	-	4,000
eMemory Technology Inc.	1,000	-	-	1,000
Fortune Electric Co., Limited	-	3,000	-	3,000
Giant Manufacturing Co., Limited	-	17,000	17,000	-
Global PMX Co., Limited	21,000	-	21,000	-
Gold Circuit Electronics Limited	22,300	4,000	3,000	23,300
Great Tree Pharmacy Co., Limited	7,368	-	7,368	-
Groundhog Inc.	-	14,000	-	14,000
Innodisk Corporation	-	13,260	-	13,260
Kinik Company Limited	-	15,000	3,000	12,000
LITE-ON Technology Corporation	29,000	2,000	-	31,000
Lotes Co., Limited	-	2,000	2,000	-
Parade Technologies, Limited	3,000	1,000	4,000	-
Powertech Technology Inc	18,000	3,000	21,000	-
Silergy Corporation	-	4,000	1,000	3,000
Sinbon Electronics Co., Limited	13,000	1,000	-	14,000
Sporton International Inc	18,322	-	18,322	-
Sunjuice Holdings Co., Limited	15,700	-	15,700	-
Taiwan Hon Chuan Enterprise Co., Limited	-	24,378	-	24,378
Taiwan Hon Chuan Enterprise Co., Limited RTS	-	378	378	-

NIKKO AM ASIAN SMALL MID EQUITY FUND
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**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Listed/Quoted investments (Continued)

	1 January 2024	Holdings		31 December 2024
		Additions	Disposals	
Listed equities (Continued)				
<u>Taiwan (Continued)</u>				
Taiwan Taxi Co., Limited	26,000	9,000	-	35,000
TECO Electric & Machinery Co., Limited	47,000	9,000	56,000	-
Tong Hsing Electronic Industries Limited	18,992	5,000	-	23,992
Unimicron Technology Corporation	17,000	5,000	7,850	14,150
Universal Vision Biotechnology	15,416	-	15,416	-
Visual Photonics Epitaxy Co., Limited	21,000	-	8,000	13,000
WinWay Technology Co., Limited	1,000	3,000	1,000	3,000
<u>Thailand</u>				
Sabina Public Company Limited - NVDR	-	58,700	58,700	-
Star Petroleum Refining Public Company Limited - NVDR	-	217,800	217,800	-
Thaifoods Group Public Company Limited - NVDR	-	934,900	-	934,900
<u>United States of America</u>				
Autohome Inc.	-	2,800	2,800	-

NIKKO AM ASIAN SMALL MID EQUITY FUND
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**PERFORMANCE TABLE (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

1 Net asset value

	US\$
Dealing net asset value	
2024	8,095,312
2023	7,941,100
2022	6,635,786
Dealing net asset value per unit	
2024	25.319
2023	24.591
2022	20.721

2 Performance record since inception

	US\$
Highest issue price per unit	
2024	27.925
2023	24.797
2022	27.086
2021	28.313
2020	24.297
2019	13.306
2018	15.030
2017	12.930
Lowest realisation price per unit	
2024	23.681
2023	20.750
2022	18.561
2021	24.508
2020	9.665
2019	10.962
2018	10.740
2017	9.963

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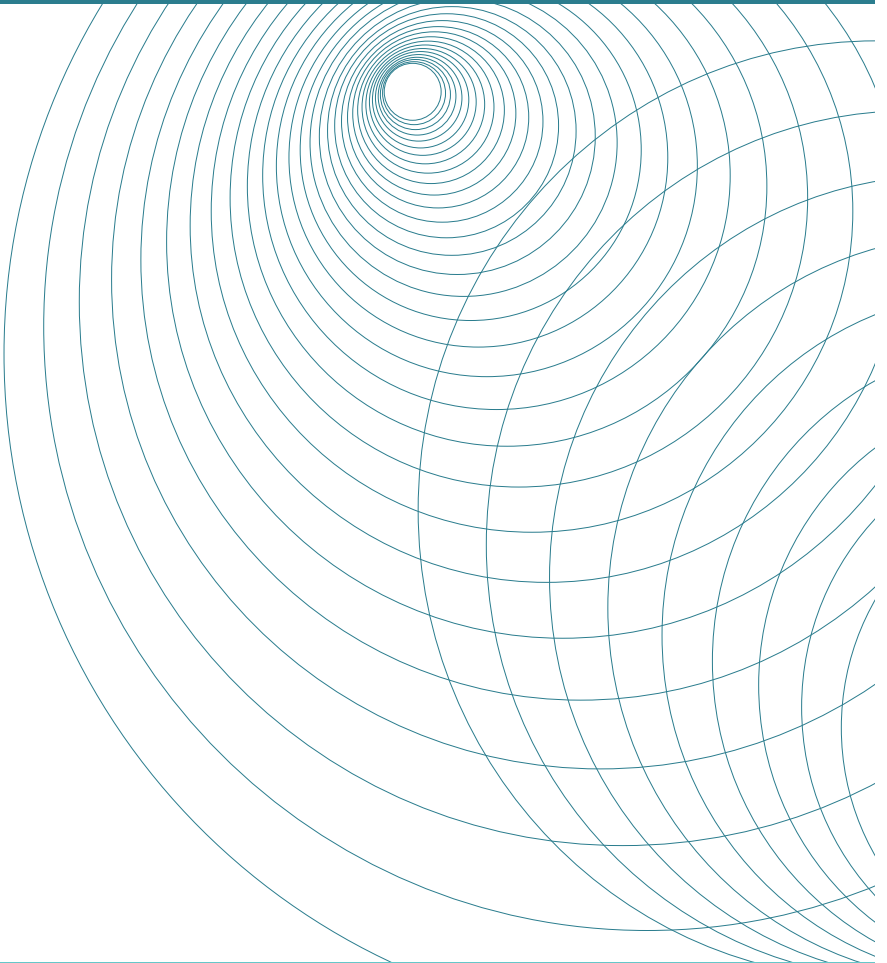
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Nikko Asset Management

INTERIM REPORT

Nikko AM Hong Kong Investment Funds

For the financial period ending 30 June 2024



NIKKO AM HONG KONG INVESTMENT FUNDS

(An umbrella unit trust established in Hong Kong)

NIKKO AM ASIAN SMALL MID EQUITY FUND

Interim Report 30 June 2024

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

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NIKKO AM HONG KONG INVESTMENT FUNDS

(An umbrella unit trust established in Hong Kong)

NIKKO AM ASIAN SMALL MID EQUITY FUND**MANAGEMENT AND ADMINISTRATION****Directors of the Manager**

Yasuaki Ogiwara
Eleanor Seet Oon Hui
Kiyotaka Ryu

Manager

Nikko Asset Management Hong Kong Limited
2401-03, 24/F, Man Yee Building
60-68 Des Voeux Road Central
Hong Kong

Investment Sub-Manager

Nikko Asset Management Asia Limited
12 Marina View
#18-02 Asia Square Tower 2
Singapore 018961

Auditors

PricewaterhouseCoopers
22/F, Prince's Building
10 Chater Road, Central
Hong Kong

Trustee, Administrator and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Legal Advisor

As to the matters of Hong Kong law:
Deacons
5/F, Alexandra House
18 Chater Road
Central
Hong Kong

NIKKO AM HONG KONG INVESTMENT FUNDS

(An umbrella unit trust established in Hong Kong)

NIKKO AM ASIAN SMALL MID EQUITY FUND

REPORT OF THE MANAGER

Performance

Nikko AM Hong Kong Investment Funds (the "Fund") is an umbrella unit trust governed by its Trust Deed dated 25 October 2016 (date of establishment), as amended from time to time (the "Trust Deed"). The Fund has only one sub-fund, Nikko AM Asian Small Mid Equity Fund (the "Sub-Fund"). For the financial period ending 30 June 2024, the Sub-Fund returned 11.01% in US dollar (USD) terms.

Key contributors in the first half of 2024 (1H24) included Hanmi Semiconductor, iFamilySC, Sunjin Beauty Science and PSK Holdings. Detractors included Lunit, Openedge Technologies and Dreamech.

Asian equities maintained their positive momentum in 1H24, with the MSCI Asia ex-Japan Small Mid Cap Index (Net Total Return) returning 4.8% in USD terms. Globally, stocks were fuelled by optimism over a resilient economy, improved corporate earnings and the boom in artificial intelligence (AI) technology. Chinese stocks recovered some ground in 1H24 following a rough 2023, as authorities unveiled new policy efforts, including sweeping measures to support the struggling housing market. These included removing the floor on mortgage rates, lowering downpayment and encouraging local governments to acquire homes to convert them into affordable housing. Taiwan was the best-performing market over the six-month period, benefitting from the increase in global demand for the hardware underpinning AI technologies. Elsewhere, India was another top performer, as Narendra Modi was sworn in as India's prime minister for a third straight term, extending his leadership for another five years despite an electoral setback that saw the Modi-led Bharatiya Janata Party fail to secure the simple majority on its own.

Within the region, the stock markets of Taiwan, India and Singapore were the best performers in 1H24 (as measured by the MSCI indices in USD terms), while those of Thailand, Hong Kong and Indonesia underperformed.

Review

Starting our review in South Korea, iFamilySC was one of the top contributors. The company has seen much success through its leading brand Rom&nd. Rom&nd stems from the name of one of South Korea's top beauty creator Sae Rom Kim who founded the brand together with iFamilySC. Launched in 2016, the brand's success can be attributed to its ability to quickly react to trends, grabbing the attention of the MZ (Millennials and Generation Z) consumers with their catchy marketing as well as strong product portfolio. Rom&nd is ranked amongst the top brands in Olive Young, South Korea's leading health and beauty store chain, for cosmetics products as well. The company trades at 13x price-to-earnings (P/E) FY25, with 25% net profit growth expected in FY25.

PSK Holdings in South Korea has been a positive addition to the portfolio as well. The company produces semiconductor manufacturing machines and other related products. PSK Holdings also offers front-end and back-end thermal processing and semiconductor components wholesale services. The company benefits from the growth in high bandwidth memory as the descum equipment they manufacture is used as an integral part of the process to remove particles produced. The company trades at 12x P/E FY25, with 25% net profit growth expected in FY25.

Another company that contributed significantly was India-based Aegis Logistics, which distributes liquefied petroleum gas (LPG), and provides logistics and terminal services in the oil, gas and chemicals sectors. The company also manufactures and distributes oleochemicals and kerosene oil, as well as providing chemical storage facilities. Aegis Logistics should also benefit from increasing LPG demand in India. Policy is also supportive as the government wants to phase out alternative pollutive cooking fuels and increase LPG penetration. The company is planning to expand capacity with Indian rupee (INR) 45 billion by FY27. The company is also looking at alternative fuels as a future growth driver. The company trades at 37x P/E FY26.

NIKKO AM HONG KONG INVESTMENT FUNDS

(An umbrella unit trust established in Hong Kong)

NIKKO AM ASIAN SMALL MID EQUITY FUND

REPORT OF THE MANAGER (CONTINUED)

While the Fund has been done well in many instances, there were hard decisions that we had to undertake. In Hong Kong, we cut our exposure to Samsonite International after the company reduced forward earnings guidance on the back of the weak macro economy. Sporton International in Taiwan was another position that we exited from, as sales continued to be disappointing and the pickup in sales from new model launches failed to materialise.

This is not an exhaustive review of the activities the Fund undertook during the review period, but an overview of some of the ideas that materialised from our meetings with company management, regular research and our endeavour to identify suitable investments for the Fund.

Outlook

Small- and mid-cap companies in Asia continue to look attractive, with the MSCI Asia ex Japan SMID Cap Index trading at 12.9x FY25 forward P/E multiple, slightly below the mid-cycle valuations of 15.9x P/E. 2024 is an exciting year with elections happening in multiple countries across the region, from Taiwan to Indonesia, India and South Korea. The US elections will also be of focus, and we think that geopolitical risks will continue to be of focus. We continue to be bottom-up focused and concentrate on companies with sustainable earning growth which display positive fundamental change that are undervalued. We continue to be focused on the core fundamentals of companies, constructing the portfolio from a bottom-up perspective, while staying cognisant of macroeconomic risks. Areas that we like include the South Korean cosmetic sector which is benefiting from secular growth in South Korean brands as well as the technology sector which benefits from the growth in AI.

NIKKO AM HONG KONG INVESTMENT FUNDS

(An umbrella unit trust established in Hong Kong)

NIKKO AM ASIAN SMALL MID EQUITY FUND

REPORT OF THE MANAGER (CONTINUED)

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Past performance or any prediction, projection or forecast is not indicative of future performance.

The Sub-Fund may use or invest in financial derivative instruments. The value of units and income from them may fall or rise. Investments in the Sub-Fund are subject to investment risks, including the possible loss of principal amount invested. You should read the relevant prospectus and product key facts sheet obtainable from appointed distributors of Nikko AM Hong Kong before investing.

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Nikko Asset Management Hong Kong Limited. Registration Number 30310338-000

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2024

	(Unaudited)	(Audited)
	As at	As at
	30 June 2024	31 December 2023
	US\$	US\$
Assets		
Financial assets at fair value through profit or loss	8,441,678	7,497,138
Dividend receivable	11,639	2,094
Amount due from brokers	80,324	-
Other receivables	14,981	15,303
Cash and cash equivalents	367,143	504,014
Total assets	<u>8,915,765</u>	<u>8,018,549</u>
Liabilities		
Accrued expenses and other liabilities	50,240	57,060
Amount due to brokers	63,695	21,386
Total liabilities	<u>113,935</u>	<u>78,446</u>
Equity		
Net assets attributable to unitholders	<u>8,801,830</u>	<u>7,940,103</u>
Units in issue	<u>320,246.53</u>	<u>320,246.53</u>
Net assets attributable to unitholders per unit	<u>27.485</u>	<u>24.794</u>

Note: The unaudited interim reports have applied the same accounting policies and methods of computation as are applied in the annual reports of the Fund.

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

	(Unaudited) For the period from 1 January 2024 to 30 June 2024 US\$	(Unaudited) For the period from 1 January 2023 to 30 June 2023 US\$
Income		
Dividend income	79,347	72,836
Interest income	2,732	2,081
Net foreign currency losses on cash and cash equivalents	(11,660)	(4,174)
Net changes in fair value on financial assets at fair value through profit or loss	950,971	719,552
Other income	29,557	26,910
	<hr/>	<hr/>
Total income	1,050,947	817,205
	<hr/>	<hr/>
Expenses		
Management fee ^{Note 2}	60,866	52,350
Trustee fee ^{Note 1}	19,425	19,437
Auditor's fee	10,388	9,421
Transaction cost	26,016	16,766
Safe custody and bank charges ^{Note 1}	18,351	12,283
Other operating expenses	14,318	3,517
	<hr/>	<hr/>
Total expenses	149,364	113,774
	<hr/>	<hr/>
Income before tax	901,583	703,431
Withholding tax on dividend income	(9,703)	(9,020)
Government tax duties	(30,153)	(5,427)
	<hr/>	<hr/>
Total comprehensive income	861,727	688,984
	<hr/> <hr/>	<hr/> <hr/>

Note 1 During the period ended 30 June 2024 and 2023, other than Trustee fee, Safe custody and bank charges that was paid to the custodian, which is a related party of the Trustee, no other amount was paid to the Trustee or its connected persons.

Note 2 During the period ended 30 June 2024 and 2023, other than Management fee that was paid to the Manager, no other amount was paid to the Manager or its connected persons.

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

	(Unaudited) For the period from 1 January 2024 to 30 June 2024 US\$	(Unaudited) For the period from 1 January 2023 to 30 June 2023 US\$
Net assets attributable to unitholders at the beginning of the period	7,940,103	6,634,871
Subscription of units	-	-
Redemption of units	-	-
Net change from unit transactions	-	-
Total comprehensive income	861,727	688,984
Net assets attributable to unitholders at the end of the period	8,801,830	7,323,855

	For the period from 1 January 2024 to 30 June 2024 Units	For the period from 1 January 2023 to 30 June 2023 Units
Units outstanding at the beginning of the period	320,246.53	320,246.53
Units subscribed	-	-
Units redeemed	-	-
Units outstanding at the end of the period	320,246.53	320,246.53

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

	(Unaudited) For the period from 1 January 2024 to 30 June 2024 US\$	(Unaudited) For the period from 1 January 2023 to 30 June 2023 US\$
Cash flows from operating activities		
Total comprehensive income	861,727	688,984
Adjustments for:		
Dividend income	(79,347)	(72,836)
Interest income	(2,732)	(2,081)
Withholding tax on dividend income and government tax duties	39,856	14,447
Net increase in financial assets at fair value through profit or loss	(944,540)	(753,817)
Net decrease/(increase) in other receivables	322	(51,176)
Net increase in amount due from brokers	(80,324)	-
Net increase in amount due to brokers	42,309	-
Net (decrease)/increase in accrued expenses and other liabilities	(6,820)	47,877
	<hr/>	<hr/>
Cash used in operating activities	(169,549)	(128,602)
Dividend received	69,802	62,259
Interest received	2,732	2,070
Withholding tax and government tax duties paid	(39,856)	(14,447)
	<hr/>	<hr/>
Net cash used in operating activities	(136,871)	(78,720)
	-----	-----
Net decrease in cash and cash equivalents	(136,871)	(78,720)
Cash and cash equivalents at the beginning of the period	504,014	379,484
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	367,143	300,764
	-----	-----
Representing		
Bank balances	367,143	300,764
	<hr/> <hr/>	<hr/> <hr/>

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 JUNE 2024

Listed/Quoted investments

	Holdings	Fair value US\$	% of NAV
Listed equities			
<u>China</u>			
Shenzhen Fuanna Bedding and Furnishing Co., Limited - A	53,900	74,145	0.84%
Zhejiang Weixing Industrial Development Co., Limited - A	34,500	59,264	0.67%
<u>Hong Kong</u>			
China Medical System Holdings Limited	48,000	40,693	0.46%
China State Construction Development Holdings Limited	242,000	66,630	0.76%
JNBY Design Limited	65,500	127,666	1.45%
Miniso Group Holding Limited	7,000	33,571	0.38%
New Oriental Education & Technology Group Inc.	6,000	45,872	0.52%
Stella International Holdings Limited	58,500	118,667	1.35%
UNI-President China Holdings Limited	136,000	124,179	1.41%
Xtep International Holdings Limited	114,000	70,221	0.80%
Zoomlion Heavy Industry Science and Technology Co., Limited – H	53,400	34,534	0.39%
<u>India</u>			
ABB India Limited	1,298	132,044	1.50%
Aegis Logistics Limited	11,584	121,140	1.38%
Cera Sanitaryware Limited	1,258	130,874	1.49%
CreditAccess Grameen Limited	5,053	80,039	0.91%
Dabur India Limited	12,284	88,407	1.00%
Devyani International Limited	20,828	41,102	0.47%
Dixon Technologies India Limited	803	115,172	1.31%
Godrej Consumer Products Limited	7,374	121,553	1.38%
Godrej Properties Limited	3,654	140,436	1.60%
Great Eastern Shipping Co., Limited	5,943	87,223	0.99%
Indian Hotels Co., Limited	17,262	129,270	1.47%
KEI Industries Limited	2,440	129,209	1.47%
KPIT Technologies Limited	3,386	66,318	0.75%
Krishna Institute of Medical Sciences Limited	3,345	83,533	0.95%
Mankind Pharma Limited	4,261	108,697	1.23%
Mrs Bectors Food Specialities Limited	6,638	109,357	1.24%
PB Fintech Limited	8,453	141,506	1.61%
Phoenix Mills Limited	3,376	145,138	1.65%
Piramal Pharma Limited	33,663	63,417	0.72%
Rainbow Childrens Medicare Limited	7,086	105,769	1.20%
Safari Industries India Limited	3,173	77,487	0.88%
UNO Minda Limited	11,492	150,359	1.71%
Vijaya Diagnostic Centre Limited	11,978	107,473	1.22%
<u>Indonesia</u>			
Arwana Citramulia Tbk	106,700	3,677	0.04%
Merdeka Copper Gold Tbk PT	422,500	61,323	0.70%
<u>Malaysia</u>			
Johor Plantations Group Berhad	106,200	18,898	0.21%

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 JUNE 2024

Listed/Quoted investments (Continued)

	Holdings	Fair value US\$	% of NAV
Listed equities (Continued)			
<u>Singapore</u>			
BRC Asia Limited	52,000	81,863	0.93%
UMS Holdings Limited	55,400	48,091	0.55%
<u>South Korea</u>			
APR Corporation	444	125,694	1.43%
BGF Retail Co., Limited	357	26,565	0.30%
CLIO Cosmetics Co., Limited	6,293	173,845	1.98%
Cosmax, Inc.	1,345	188,541	2.14%
Cosmecca Korea Co., Limited	852	51,860	0.59%
Dongkook Pharmaceutical Co., Limited	3,239	43,491	0.49%
Dreamtech Co., Limited	9,192	58,533	0.67%
EO Technics Co., Limited	583	78,491	0.89%
Fine M-Tec Co., Limited	9,050	59,128	0.67%
HANMI Semiconductor Co., Limited	1,020	126,598	1.44%
HK inno.N Corporation	2,806	75,798	0.86%
HPSP Co., Limited	1,457	41,090	0.47%
HYBE Co., Limited	257	37,489	0.42%
Hyundai Motor Co., Limited	888	116,291	1.32%
iFamilySC Co., Limited	6,867	172,389	1.96%
Kolmar Korea Holdings Co., Limited	2,856	146,480	1.66%
LS Industrial Systems Company Limited	808	128,339	1.46%
Lunit Inc.	1,601	53,915	0.61%
Openedges Technology, Inc.	4,780	71,619	0.81%
Park Systems Corporation	491	66,140	0.75%
PSK Inc.	2,493	125,707	1.43%
ST Pharm Co., Limited	1,882	115,911	1.32%
Sunjin Beauty Science Co., Limited	13,719	182,232	2.07%
T&L Co., Limited	2,947	148,600	1.69%
Wonik Materials Co., Limited	3,156	76,500	0.87%
<u>Taiwan</u>			
Accton Technology Corporation	7,000	119,326	1.36%
Alexander Marine Co., Limited	8,000	98,409	1.12%
Chief Telecom Inc.	12,100	134,164	1.52%
DR WU Skincare Co., Limited	30,000	160,329	1.82%
Eclat Textile Co., Limited	5,000	81,240	0.92%
eMemory Technology Inc.	1,000	78,936	0.90%
Giant Manufacturing Co., Limited	15,000	97,672	1.11%
Gold Circuit Electronics Limited	21,300	135,423	1.54%
Innodisk Corporation	12,000	111,309	1.26%
Kinik Company Limited	12,000	120,892	1.37%
LITE-ON Technology Corporation	31,000	100,928	1.15%
LOTES Co., Limited	2,000	100,129	1.14%
Parade Technologies, Limited	2,000	51,477	0.58%
SINBON Electronics Co., Limited	14,000	125,561	1.43%
Sunjuice Holdings Co., Limited	15,700	96,684	1.10%
Taiwan Hon Chuan Enterprise Co., Limited	8,000	42,140	0.48%
Taiwan Taxi Co., Limited	30,000	111,033	1.26%
TECO Electric & Machinery Co., Limited	56,000	92,020	1.05%
Tong Hsing Electronic Industries Limited	19,992	92,106	1.05%

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 JUNE 2024

Listed/Quoted investments (Continued)

	Holdings	Fair value US\$	% of NAV
Listed equities (Continued)			
<u>Taiwan (Continued)</u>			
Unimicron Technology Corporation	15,000	82,929	0.94%
Universal Vision Biotechnology	9,416	72,157	0.82%
Visual Photonics Epitaxy Co., Limited	17,000	86,154	0.98%
WinWay Technology Co., Limited	3,000	96,750	1.10%
<u>Thailand</u>			
Sabina Public Company Limited - NVDR	58,700	38,020	0.43%
Thaifoods Group Public Company Limited - NVDR	566,700	62,967	0.72%
<u>United States of America</u>			
Autohome Inc.	2,800	76,860	0.87%
		8,441,678	95.91%
		6,408,241	
Total investments at cost			

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

Listed/Quoted investments

	1 January 2024	Additions	Disposals	30 June 2024
Listed equities				
<u>China</u>				
Shenzhen Fuanna Bedding and Furnishing Co., Limited - A	32,200	21,700	-	53,900
Zhejiang Weixing Industrial Development Co., Limited - A	-	34,500	-	34,500
<u>Hong Kong</u>				
China Medical System Holdings Limited	-	48,000	-	48,000
China State Construction Development Holdings Limited	242,000	-	-	242,000
China Water Affairs Group Limited	94,000	-	94,000	-
ClouDr Group Limited	32,800	-	32,800	-
Giant Biogene Holding Co., Limited	8,400	2,000	10,400	-
JNBY Design Limited	75,000	-	9,500	65,500
Meitu, Inc.	79,000	-	79,000	-
Miniso Group Holding Limited	-	7,000	-	7,000
New Oriental Education & Technology Group Inc.	-	6,000	-	6,000
Remegen Co., Limited – H	9,500	-	9,500	-
Samsonite International	33,600	-	33,600	-
Shenzhou International Group Holdings Limited	6,700	-	6,700	-
Stella International Holdings Limited	52,500	6,000	-	58,500
Uni-President China Holdings Limited	-	136,000	-	136,000
Xtep International Holdings Limited	-	114,000	-	114,000
Zoomlion Heavy Industry Science and Technology Co., Limited - H	-	53,400	-	53,400
<u>India</u>				
ABB India Limited	1,551	-	253	1,298
Aegis Logistics Limited	11,610	2,063	2,089	11,584
Ashok Leyland Limited	35,641	-	35,641	-
Bharat Petroleum Corp Limited	-	9,166	9,166	-
Cera Sanitaryware Limited	1,392	304	438	1,258
CreditAccess Grameen Limited	6,678	-	1,625	5,053
Dabur India Limited	-	12,284	-	12,284
Devyani International Limited	-	20,828	-	20,828
Dixon Technologies India Limited	1,472	-	669	803
Eureka Forbes Limited	8,695	4,503	13,198	-
Federal Bank Limited	53,300	-	53,300	-
Five-Star Business Finance Limited	9,882	-	9,882	-
Godrej Consumer Products Limited	6,328	1,764	718	7,374
Godrej Properties Limited	3,654	-	-	3,654
Great Eastern Shipping Co., Limited	-	5,943	-	5,943
Indian Hotels Co., Limited	23,143	-	5,881	17,262
KEI Industries Limited	2,826	278	664	2,440
KPIT Technologies Limited	-	3,386	-	3,386
Krishna Institute of Medical Sciences Limited	4,083	-	738	3,345

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

Listed/Quoted investments (Continued)

	1 January 2024	Additions	Disposals	30 June 2024
Listed equities (Continued)				
<u>India (Continued)</u>				
Mankind Pharma Limited	-	4,261	-	4,261
Mastek Limited	-	1,137	1,137	-
Mrs Bectors Food Specialities Limited	2,866	3,772	-	6,638
PB Fintech Limited	9,828	-	1,375	8,453
Phoenix Mills Limited	5,213	-	1,837	3,376
Piramal Pharma Limited	-	33,663	-	33,663
Protean EGOV Technologies Limited	-	4,761	4,761	-
Rainbow Childrens Medicare Limited	8,141	-	1,055	7,086
RITES Limited	17,140	5,014	22,154	-
Safari Industries India Limited	-	3,173	-	3,173
UNO Minda Limited	12,917	897	2,322	11,492
Vijaya Diagnostic Centre Limited	12,954	1,816	2,792	11,978
<u>Indonesia</u>				
Arwana Citramulia Tbk	1,533,900	-	1,427,200	106,700
Map Aktif Adiperkasa Tbk	1,530,500	-	1,530,500	-
Medikaloka Hermina Tbk	747,200	69,700	816,900	-
Merdeka Copper Gold Tbk PT	-	422,500	-	422,500
<u>Malaysia</u>				
Genetec Technology Berhad	76,300	-	76,300	-
Johor Plantations Group Berhad	-	106,200	-	106,200
<u>Singapore</u>				
BRC Asia Limited	47,200	4,800	-	52,000
First Resources Limited	76,100	-	76,100	-
Genting Singapore Limited	53,800	-	53,800	-
UMS Holdings Limited	-	55,400	-	55,400
Yangzijiang Shipbuilding (Holdings) Limited	35,600	16,100	51,700	-
<u>South Korea</u>				
APR Corporation	-	444	-	444
BGF Retail Co., Limited	-	357	-	357
Clio Cosmetics Co., Limited	5,659	634	-	6,293
Cosmax, Inc.	1,227	118	-	1,345
Cosmecca Korea Co., Limited	-	852	-	852
CrowdWorks Inc	-	1,338	1,338	-
Dongkook Pharmaceutical Co., Limited	-	3,239	-	3,239
Dreamtech Co., Limited	9,192	-	-	9,192
EO Technics Co., Limited	602	343	362	583
Fine M-Tec Co., Limited	11,412	-	2,362	9,050
HANMI Semiconductor Co., Limited	2,657	311	1,948	1,020
HB Investment Inc	-	349	349	-
HK inno.N Corporation	-	2,806	-	2,806
HPSP Co., Limited	4,302	1,457	4,302	1,457
HYBE Co., Limited	-	341	84	257
Hyundai Department Store Co., Limited	-	1,182	1,182	-

NIKKO AM HONG KONG INVESTMENT FUNDS
(An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

Listed/Quoted investments (Continued)

	1 January 2024	Additions	Disposals	30 June 2024
Listed equities (Continued)				
<u>South Korea (Continued)</u>				
Hyundai Mipo Dockyard Co., Limited	1,067	-	1,067	-
Hyundai Motor Co., Limited	-	888	-	888
iFamilySC Co., Limited	4,736	5,164	3,033	6,867
Intellian Technologies, Inc.	1,098	1,187	2,285	-
Jeisys Medical Inc	15,880	2,711	18,591	-
Kolmar Korea Holdings Co., Limited	2,213	904	261	2,856
Kweather Co., Limited	-	586	586	-
LS Industrial Systems Company Limited	-	808	-	808
Lunit Inc.	1,172	429	-	1,601
Myoung Shin Industrial Co., Limited	3,355	-	3,355	-
NEXTIN, Inc.	1,034	-	1,034	-
Nice Total Cash Management Co., Limited	-	10,563	10,563	-
Openedges Technology, Inc.	2,951	4,780	2,951	4,780
Park Systems Corp	-	491	-	491
PSK Inc.	-	3,864	1,371	2,493
SPG Co., Limited	1,477	-	1,477	-
ST Pharm Co., Limited	1,728	154	-	1,882
Sunjin Beauty Science Co., Limited	12,139	2,384	804	13,719
T&L Co., Limited	3,283	402	738	2,947
Wonik Materials Co., Limited	-	3,156	-	3,156
<u>Taiwan</u>				
Accton Technology Corporation	6,000	1,000	-	7,000
Alexander Marine Co., Limited	-	8,000	-	8,000
Andes Technology Corporation	8,000	-	8,000	-
Asia Vital Components	-	2,000	2,000	-
Bafang Yunji International Company Limited	16,000	-	16,000	-
ChailEase Holdings Co., Limited	14,093	-	14,093	-
Chief Telecom Inc.	12,100	-	-	12,100
CTCI Corporation	80,000	11,000	91,000	-
DR WU Skincare Co., Limited	30,000	-	-	30,000
Eclat Textile Co., Limited	-	5,000	-	5,000
eMemory Technology Inc.	1,000	-	-	1,000
Giant Manufacturing Co., Limited	-	15,000	-	15,000
Global PMX Co., Limited	21,000	-	21,000	-
Gold Circuit Electronics Limited	22,300	2,000	3,000	21,300
Great Tree Pharmacy Co., Limited	7,368	-	7,368	-
Innodisk Corporation	-	12,000	-	12,000
Kinik Company Limited	-	12,000	-	12,000
LITE-ON Technology Corporation	29,000	2,000	-	31,000
LOTES Co., Limited	-	2,000	-	2,000
Parade Technologies, Limited	3,000	-	1,000	2,000
Powertech Technology Inc	18,000	3,000	21,000	-
Sinbon Electronics Co., Limited	13,000	1,000	-	14,000
Sporton International Inc	18,322	-	18,322	-
Sunjuice Holdings Co., Limited	15,700	-	-	15,700

NIKKO AM HONG KONG INVESTMENT FUNDS
 (An umbrella unit trust established in Hong Kong)
NIKKO AM ASIAN SMALL MID EQUITY FUND

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

Listed/Quoted investments (Continued)

	1 January 2024	Additions	Disposals	30 June 2024
Listed equities (Continued)				
<u>Taiwan (Continued)</u>				
Taiwan Hon Chuan Enterprise Co., Limited	-	8,000	-	8,000
Taiwan Taxi Co., Limited	26,000	4,000	-	30,000
TECO Electric & Machinery Co., Limited	47,000	9,000	-	56,000
Tong Hsing Electronic Industries Limited	18,992	1,000	-	19,992
Unimicron Technology Corporation	17,000	-	2,000	15,000
Universal Vision Biotechnology	15,416	-	6,000	9,416
Visual Photonics Epitaxy Co., Limited	21,000	-	4,000	17,000
WinWay Technology Co., Limited	1,000	2,000	-	3,000
<u>Thailand</u>				
Sabina Public Company Limited - NVDR	-	58,700	-	58,700
Star Petroleum Refining Public Company Limited	-	217,800	217,800	-
Thaifoods Group Public Company Limited - NVDR	-	566,700	-	566,700
<u>United States of America</u>				
Autohome Inc.	-	2,800	-	2,800

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