



**BOCOM International Dragon Core
Growth Fund**
(A Sub-Fund of BOCOM International Fund)

Reports and financial statements
for the year ended 31 December 2022

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Management and administration

Manager

BOCOM International Asset Management
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Directors of the Manager

LI Baohua (Resigned on 28 February 2022)
LI Wu
XI Xuanhua

Trustee and Registrar

Bank of Communications Trustee Limited
1/F, Far East Consortium Building
121 Des Voeux Road Central
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Sub-custodian

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10/F, Two Harbour Front,
22 Tak Fung Street,
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Legal Counsel to the Manager
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Auditor

KPMG
8/F, Prince's Building
10 Chater Road
Central

BOCOM International Dragon Core Growth Fund

(A sub-fund of BOCOM International Fund)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Market Review

Hong Kong stock market was under pressure in 2022. The Hang Seng Total Return Index dropped by 12.54% for the year, primarily due to Federal Reserve's aggressive monetary tightening, rising concerns over COVID-19 outbreaks and growing geopolitical risks. A persistent property crisis and internet crackdown were another two key themes that contributed to some of the pessimism in China assets. However, the market recouped some losses after China's reopening since COVID-19 measures petered out, and the HSI finally closed at 19781.41 on Dec 30th, 2022. Among the HSI constituents, CNOOC Ltd, Sands China Ltd, and China Shenhua Energy Co Ltd were the best performers, with yearly gains of 46.61%, 42.62% and 39.56% respectively. Yet, Sunny Optical Technology Group Co Ltd, Country Garden Holdings Co Ltd, and Country Garden Services Holdings Co Ltd were the biggest laggards, with yearly losses of 61.99%, 60.42% and 57.89% respectively.

Portfolio Review

For the whole year ended 31 Dec 2022, the fund recorded negative 22.00 per cent of total return, which underperformed Hang Seng Index. The main reason is that the market rebounded sharply in early November. Although the positions have been adjusted as fast as we could, the final performance still lagged due to the restriction of trading regulation. Looking forward in 2023, we expect both recovery in China and recession in US, and also we think Sino-US relationship and hiking interest rate of US could have continuous uncertain effect. On the whole, we are cautiously optimistic this year and prefer balanced positions between value and growth.

By order of the board



Director

Hong Kong

28 APR 2023

BOCOM International Dragon Core Growth Fund

(A sub-fund of BOCOM International Fund)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

TO THE UNITHOLDERS OF BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND (THE "SUB-FUND")

We hereby confirm that, in our opinion, the Manager of the Sub-Fund has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 27 October 2010 and all its supplemental deeds for the year ended 31 December 2022.

For and on behalf of



Bank of Communications Trustee Limited

28 APR 2023

Independent auditor's report to the unitholders of BOCOM International Dragon Core Growth Fund (A Sub-fund of BOCOM International Fund)

Opinion

We have audited the financial statements of BOCOM International Dragon Core Growth Fund (the "Sub-Fund"), set out on pages 7 to 29, which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in net asset attributable to unitholders and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for opinion

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

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

The Manager and Trustee are responsible for the other information. The other information comprises all 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 BOCOM International Dragon Core Growth Fund (continued)

(A Sub-fund of BOCOM International Fund)

Responsibilities of the Manager and the Trustee for the financial statements

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

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

In addition, the Manager and the Trustee of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed ("the Trust Deed") date 27 October 2010 and the relevant disclosure provisions of Appendix E of the Hong Kong Code on Unit Trusts and Mutual Funds ("the SFC code") issued by the Hong Kong Securities and Futures Commission.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.



Independent auditor's report to the unitholders of BOCOM International Dragon Core Growth Fund (continued)

(A Sub-fund of BOCOM International Fund)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee of the Sub-Fund.
- Conclude on the appropriateness of the Manager's and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager and the Trustee of the Sub-Fund 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 provisions of the Trust Deed and the relevant disclosure provisions of Appendix E to the SFC Code

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

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 APR 2023

Statement of financial position as at 31 December 2022

(Expressed in Hong Kong dollars)

	Note	2022 HKD	2021 HKD
Assets			
Financial assets at fair value through profit or loss	3(a)	176,111,150	182,213,940
Dividend receivable		-	55,964
Prepayment		-	34,501
Cash and cash equivalents	3(d), 7(a)	2,743,652	53,229,531
Total assets		<u>178,854,802</u>	<u>235,533,936</u>
Liabilities			
Management fee payable	7(b)	226,421	629,635
Trustee fee payable	7(c)	50,851	138,009
Redemption payable		546,214	-
Accrued expense and other payables		307,720	372,556
Total liabilities		<u>1,131,206</u>	<u>1,140,200</u>
Equity			
Net assets attributable to unitholders	6	<u>177,723,596</u>	<u>234,393,736</u>

Approved and authorised for issue by the Trustee and the Manager on

28 APR 2023




) For and on behalf of
) Bank of Communications
) Trustee Limited
)



) For and on behalf of
) BOCOM International
) Asset Management Limited
)

The notes on pages 12 to 29 form part of these financial statements.

Statement of comprehensive income

For the year ended 31 December 2022

(Expressed in Hong Kong dollars)

	Note	2022 HKD	2021 HKD
Income			
Interest income on bank deposits		1,180	1,109
Dividend income		7,177,055	3,590,872
Net losses on financial assets at fair value through profit or loss	5	(54,144,755)	(30,132,023)
Net foreign exchange losses		(1)	-
Total income		<u>(46,966,521)</u>	<u>(26,540,042)</u>
Expenses			
Management fee	7(b)	(2,861,988)	(3,911,582)
Trustee fee	7(c)	(639,629)	(851,225)
Sub-custodian fee		(101,619)	(134,818)
Audit fee		(262,734)	(319,009)
Transaction costs	9	(2,247,878)	(1,189,925)
Bank charges		(2,148)	(31,831)
Other expenses		17,841	(110,344)
Total operating expenses		<u>(6,098,155)</u>	<u>(6,548,734)</u>
Loss before tax		<u>(53,064,676)</u>	<u>(33,088,776)</u>
Withholding taxes	8	<u>(495,924)</u>	<u>(115,052)</u>
Decrease in net assets attributable to unitholders from operations		<u>(53,560,600)</u>	<u>(33,203,828)</u>

The notes on pages 12 to 29 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year ended 31 December 2022

(Expressed in Hong Kong dollars)

	Note	2022 HKD	2021 HKD
Net assets attributable to unitholders at beginning of the year		<u>234,393,736</u>	<u>317,443,975</u>
Proceeds from units issued		491,552	233,891,352
Redemption of units		<u>(3,601,092)</u>	<u>(283,737,763)</u>
Net decrease from unit transactions		<u>(3,109,540)</u>	<u>(49,846,411)</u>
Decrease in net assets attributable to unitholders from operations		<u>(53,560,600)</u>	<u>(33,203,828)</u>
Net assets attributable to unitholders at end of the year	6	<u>177,723,596</u>	<u>234,393,736</u>
<i>Number of redeemable units</i>			
		2022	2021
Units in issue at beginning of the year		22,257,148.623	25,342,900.239
Issue of units during the year		67,903.298	18,028,011.289
Redemption of units during the year		<u>(412,292.404)</u>	<u>(21,113,762.905)</u>
Units in issue at end of the year	6	<u>21,912,759.517</u>	<u>22,257,148.623</u>

The notes on pages 12 to 29 form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2022

(Expressed in Hong Kong dollars)

	2022 HKD	2021 HKD
Cash flows from operating activities		
Decrease in net assets attributable to unitholders from operations	(53,560,600)	(33,203,828)
Adjustment for:		
Dividend income	(7,177,055)	(3,590,872)
Interest income	(1,180)	(1,109)
Withholding taxes	495,924	115,052
Operating cash flows before working capital changes	(60,242,911)	(36,680,757)
Change in operating assets and liabilities		
Decrease in financial assets at fair value through profit or loss	6,102,790	126,287,105
Decrease in prepayment	34,501	-
(Decrease)/increase in management fee payable	(403,214)	244,505
(Decrease)/increase in trustee fee payable	(87,158)	55,054
Decrease in due to brokers	-	(427,537)
(Decrease)/increase in accrued expense and other payables	(64,836)	83,806
Cash (used in)/generated from operating activities	(54,660,828)	89,562,176
Interest received	1,180	1,109
Dividend received	7,233,019	3,534,908
Withholding taxes paid	(495,924)	(115,052)
Net cash from operating activities	(47,922,553)	92,983,141
Cash flows from financing activities		
Proceeds from units issued	491,552	233,891,352
Payments on redemption of units	(3,054,878)	(283,737,763)
Net cash used in financing activities	(2,563,326)	(49,846,411)

Statement of cash flows
for the year ended 31 December 2022 (continued)
(Expressed in Hong Kong dollars)

	2022 HKD	2021 HKD
Net (decrease)/increase in cash and cash equivalents	(50,485,879)	43,136,730
Cash and cash equivalents at beginning of the year	53,229,531	10,092,801
Cash and cash equivalents at end of the year	<u>2,743,652</u>	<u>53,229,531</u>

The notes on pages 12 to 29 form part of these financial statements.

Notes to the financial statements

1 The Sub-Fund

BOCOM International Fund (the "Trust") is an umbrella unit trust governed by its Trust Deed dated 27 October 2010, as amended (the "Trust Deed") made between BOCOM International Asset Management Limited as the Manager (the "Manager") and Bank of Communications Trustee Limited as the Trustee (the "Trustee"). The terms of the Trust Deed are governed by the law of Hong Kong. The Trust is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") under 104(1) of the Hong Kong Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds issued by SFC.

BOCOM International Dragon Core Growth Fund (the "Sub-Fund") is one of three sub-funds under the Trust available for investment as at 31 December 2022. The date of inception of the Sub-Fund was 27 October 2010. The Sub-Fund is also registered as an eligible Collective Investment Scheme under the Capital Investment Entrance Scheme.

The Sub-Fund seeks to deliver long-term capital growth through investing at least 70% of its latest available net asset value in H-shares, red-chips, and other companies listed on the Hong Kong Stock Exchange which have considerable interests in the Greater China region (inclusive of the Mainland China, Hong Kong, Macau and Taiwan).

The Manager is owned by BOCOM International Holdings Company Limited, which itself is a subsidiary of Bank of Communications Co., Ltd. ("BOCOM", and together with BOCOM International Holdings Company Limited and its affiliates, the "BOCOM Group").

The financial statements are prepared for the Sub-Fund only. The financial statements are presented in Hong Kong dollars ("HKD"), which is same as the functional currency of the Sub-Fund.

2 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong, the relevant provisions of the Trust Deed, as amended, and the relevant disclosure provisions of the SFC Code issued by the SFC. Significant accounting policies adopted by the Sub-Fund are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Sub-Fund. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Sub-Fund for the current and prior accounting periods reflected in these financial statements.

2 Significant accounting policies (continued)

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- Financial instruments at fair value through profit or loss (see note 2(d)).

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

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

(c) Changes in accounting policies

The Sub-Fund has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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

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 fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

The Sub-Fund's policy requires the Manager and the Trustee to evaluate the information about these financial assets on a fair value basis together with other related financial information.

2 Significant accounting policies (continued)

Recognition, derecognition and measurement

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 at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

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.

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 the "financial assets at fair value through profit or loss" category are presented in the statement of comprehensive income within "net losses on financial assets at fair value through profit or loss" in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Sub-Fund's right to receive payments is established.

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) are based on quoted market prices at the close of trading on the reporting date. 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. The Sub-Fund utilises the last bid price for financial assets. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

(e) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at with banks.

2 Significant accounting policies (continued)

(f) Impairment

The Sub-Fund recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. Financial assets at amortised cost include dividend receivable, prepayment and cash and cash equivalents.

The Sub-Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Sub-Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Sub-Fund's historical experience and informed credit assessment and including forward-looking information.

The Sub-Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Sub-Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Sub-Fund in full, without recourse by the Sub-Fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Sub-Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of "investment grade". The Sub-Fund considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

2 Significant accounting policies (continued)

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Sub-Fund is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Sub-Fund expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Sub-Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of assets and liabilities

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Sub-Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(g) **Accrued expenses**

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

2 Significant accounting policies(continued)

(h) **Income**

Interest income is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents.

Dividend income is recognised when the right to receive payment is established.

(i) **Expenses**

All expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income.

(j) **Redeemable units**

The Sub-Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Sub-Fund has one class of redeemable units in issue. This is the most subordinate class of financial instruments in the Sub-Fund and ranks *pari passu* in all material respects and has identical terms and conditions. The redeemable units provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Sub-Fund's net assets at each daily redemption date and also in the event of the Sub-Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the issuer to repurchase or redeem that instrument for cash or another financial asset is classified as equity instruments if it meets the following conditions:

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

The Sub-Fund's redeemable units meet all of these conditions and are classified as equity.

2 Significant accounting policies (continued)

(k) Taxation

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

The Sub-Fund currently incurs withholding taxes imposed by certain countries on dividend income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

(l) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the "functional currency"). The Sub-Fund invests mainly in equity securities in Hong Kong and the performance of the Sub-Fund is measured and reported to the unitholders in HKD. The Manager considers HKD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in HKD, which is 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 rate prevailing at the statement of financial position 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 exchange losses".

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

(m) Transaction costs

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

3 Financial risk management

The Sub-Fund's activities may expose it to a variety of risks including but not limited to: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

The Sub-Fund uses different methods to measure and manage the various types of risk to which it is exposed. These methods are explained below.

(a) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The following table discloses the financial assets at fair value through profit or loss of the Sub-Fund by product type:

	2022 HKD	2021 HKD
Listed equities	176,111,150	182,213,940
	<u>176,111,150</u>	<u>182,213,940</u>

The following table discloses the non-derivative financial assets at fair value through profit or loss of the Sub-Fund by industrial sectors:

The Sub-Fund's market price risk is managed through diversification of the investment portfolio ratios by exposures to different industries.

There is no exposure to individual investments/issuers representing over 10% of the Sub-Fund's net asset value at the reporting date.

At 31 December 2022, the Sub-Fund invests in listed equities and is susceptible to market price risk arising from uncertainties about future values of those investments. The listed equities are publicly traded. If the prices of listed equity securities had increased/decreased by 10% (2021: 10%), the Sub-Fund's pre-tax profits for the year would have resulted in an increase/decrease of HKD17,611,115 (2021: HKD18,221,394).

(b) Interest rate risk

The majority of the Sub-Fund's financial assets and liabilities are non-interest bearing. As a result, the Sub-Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

3 Financial risk management (continued)

As at 31 December 2022 and 2021, interest rate risk arises from cash and cash equivalents. As interest from these interest bearing assets are short term in nature and immaterial, the Sub-Fund considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. Accordingly, no sensitivity analysis has been disclosed for cash and cash equivalents.

(c) *Currency risk*

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As at 31 December 2022 and 2021, the Sub-Fund is not exposed to currency risk arising from balances and transactions in foreign currencies as a majority of their assets and liabilities are denominated in HKD, the Sub-Fund's functional and presentation currency. Accordingly, the Management considers that it is not necessary to present a sensitivity analysis of currency risk.

(d) *Credit and counterparty risk*

Credit and counterparty risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

The Trustee entered into a Global Custodial Services agreement with Citibank N.A., Hong Kong Branch on 25 January 2008. According to the Global Custodial Services agreement, the investment of the Sub-Fund is held in the name of the Trustee or such other name as the Trustee may reasonably designate and will indicate that the investments do not belong to the sub-custodian and are segregated from the sub-custodian's assets. The Sub-Fund's money is held in the name of the Trustee or such other name as the Trustee may reasonably designate and will be held by the sub-custodian.

The Sub-Fund is also exposed to credit and counterparty risk on cash and cash equivalents.

3 Financial risk management (continued)

The table below summarises the net exposure to the Sub-Fund's counterparties together with their credit ratings:

As at 31 December 2022

	HKD	Credit rating	Source of credit rating
Investments			
Citibank, N.A.	176,111,150	A+	Standard & Poor's
Cash and cash equivalents			
Citibank, N.A.	2,743,559	A+	Standard & Poor's
Bank of Communications Co. Ltd HK Branch ¹	93	A-	Standard & Poor's

As at 31 December 2021

	HKD	Credit rating	Source of credit rating
Investments			
Citibank, N.A.	182,213,940	A+	Standard & Poor's
Cash and cash equivalents			
Citibank, N.A.	28,228,695	A+	Standard & Poor's
Bank of Communications Co. Ltd HK Branch ¹	25,000,836	A-	Standard & Poor's

¹ Credit rating of its ultimate holding company Bank of Communications Co., Ltd. is used.

All the Sub-Fund's investments and cash and cash equivalents are held in major financial institutions, which the Sub-Fund believes are of high credit quality. The Manager considers that the Sub-Fund does not have a significant concentration of credit risk.

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. As at 31 December 2022 and 2021, all dividend receivable and cash and cash equivalents can be realised within one to three months. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund.

3 Financial risk management (continued)

The Manager mitigates the counterparty risk associated with the Sub-Fund by putting in place appropriate counterparty risk management procedures. The Manager monitors the credit rating of the financial institutions on an ongoing basis.

(e) Liquidity risk

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Fund is exposed to daily redemptions of units in the Sub-Fund. The Sub-Fund invests the majority of their assets in securities that are traded in an active market which can be readily disposed of.

Units are redeemed on demand at the unitholder's option. With a view to protect the interest of unitholders, the Manager is entitled, with the approval of the Trustee, to limit the number of units of the Sub-Fund redeemed on any dealing day to 10% of the total number of units in issue. As at 31 December 2022, there were 2 (2021: 2) unitholder accounts each holding more than 10% of the Sub-Fund's units.

The table below analyses the Sub-Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

	<i>Less than 3 months HKD</i>
As at 31 December 2022	
Management fee payable	226,421
Trustee fee payable	50,851
Accrued expenses and other payables	307,720
Withdrawal payable	546,214
Net assets attributable to unitholders	177,723,596
Contractual cash outflow	<u>178,854,802</u>

	<i>Less than 3 months HKD</i>
As at 31 December 2021	
Management fee payable	629,635
Trustee fee payable	138,009
Accrued expenses and other payables	372,556
Net assets attributable to unitholders	234,393,736
Contractual cash outflow	<u>235,533,936</u>

3 Financial risk management (continued)

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 3 months or less. The following table illustrates the expected liquidity of assets held:

	<i>Less than 3 months HKD</i>
As at 31 December 2022	
Total assets	<u>178,854,802</u>
As at 31 December 2021	
Total assets	<u>235,533,936</u>

(f) Fair value estimation

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:

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

The 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 judgment by the Sub-Fund. The Sub-Fund considers observable data to be that 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.

3 Financial risk management (continued)

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets measured at fair value at 31 December 2022 and 2021 respectively:

	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
As at 31 December 2022				
Assets				
Financial assets at fair value through profit or loss - Listed equities	176,111,150	-	-	176,111,150
Total assets	<u>176,111,150</u>	<u>-</u>	<u>-</u>	<u>176,111,150</u>
As at 31 December 2021				
Assets				
Financial assets at fair value through profit or loss - Listed equities	182,213,940	-	-	182,213,940
Total assets	<u>182,213,940</u>	<u>-</u>	<u>-</u>	<u>182,213,940</u>

For the year ended 31 December 2022 and 2021, there were no transfers between levels.

(g) Capital risk management

The capital of the Sub-Fund 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. The Management may:

- Redeem and issue new units in accordance with the constitutive documents of the Sub-Fund; and
- Exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders.

4 Distribution to unitholders

The Sub-Fund did not make any distribution during the year ended 31 December 2022 and 2021.

5 Net losses on financial assets at fair value through profit or loss

	2022 HKD	2021 HKD
Net realised (losses)/gains on sale of financial assets at fair value through profit or loss	(55,199,539)	68,029,744
Change in unrealised gains/(losses) of financial assets at fair value through profit or loss	1,054,784	(98,161,767)
	<u>(54,144,755)</u>	<u>(30,132,023)</u>

6 Number of units in issue and net assets attributable to unitholders per unit

As at 31 December 2022 and 2021, the Sub-Fund issued one class of units.

The movements of the redeemable units are disclosed in the statement of changes in net assets attributable to unitholders.

The following table details the net asset value per unit of each class of units at the reporting date:

	<i>Number of units outstanding</i>	<i>Net asset value per unit HKD</i>
At 31 December 2022	<u>21,912,759.517</u>	<u>8.110</u>
At 31 December 2021	<u>22,257,148.623</u>	<u>10.531</u>

7 Transactions with related parties or connected persons

The following is a summary of transactions entered into during the year between the Sub-Fund and its related parties including the Manager, Trustee and their connected persons. Connected persons are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with the connected persons except for those disclosed below.

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

7 Transactions with related parties or connected persons (continued)

(a) Bank balances

Bank balances deposited at 31 December 2022 and 2021 and interest income earned during the year on these bank balances are summarised below.

Bank balances are maintained with Bank of Communications Co. Ltd HK Branch, a branch of Bank of Communications Co., Ltd., the ultimate holding company of the Manager and the Trustee. Relevant bank balances at 31 December 2022 and 2021 and interest income earned during the year on these bank balances are summarised below:

	2022 HKD	2021 HKD
Bank balances deposited	93	25,000,836
Interest income earned	1,070	1,109

(b) Management fee

The Manager is entitled to receive a management fee calculated at the annual rate of 1.5% (2021: 1.5%) per annum of the net asset value of the portfolio on the relevant valuation date, which shall be accrued daily and payable monthly in arrears.

The total management fee for the year amounted to HKD2,861,988 (2021: HKD3,911,582). As at 31 December 2022, the Sub-Fund has management fee payable to the Manager of HKD226,421 (2021: HKD629,635).

(c) Trustee fee

The Trustee of the Sub-Fund is entitled to a fee payable monthly in arrears calculated as to 0.30% to 0.35% per annum (2021: 0.30% to 0.35% per annum) and subject to a minimum annual fee of HKD350,000, which is accrued daily and is payable monthly in arrears.

The table below summarises the trustee fee for the year and trustee fee payable as at 31 December 2022 and 31 December 2021:

	2022 HKD	2021 HKD
Trustee fee	639,629	851,225
Trustee fee payable	50,851	138,009

7 Transactions with related parties or connected persons (continued)

(d) Holdings of units of the Sub-Fund

The holdings in the Sub-Fund by the connected persons of the Manager and the Trustee as at 31 December 2022 and 31 December 2021 were as follows.

Units held by BOCOM International Holdings Company Limited, the parent company of the Manager:

	Units outstanding at 1 January 2022	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2022
2022	17,989,892.75	-	-	17,989,892.75
	Units outstanding at 1 January 2021	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2021
2021	4,000,000.00	13,989,892.75	-	17,989,892.75

Units held by BOCOM International Global Investment Limited, a subsidiary of the Manager:

	Units outstanding at 1 January 2021	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2021
2021	20,400,624.971	-	(20,400,624.971)	-

No unit is held by BOCOM International Global Investment Limited as at 31 December 2022.

Units held by directors of the Manager:

	Units Outstanding at 1 January 2022	Increase resulting from director appointments during the year	Units subscribed during the year	Units redeemed during the year	Decrease resulting from director cessations during the year	Units outstanding at 31 December 2022
2022	32,552.65	-	-	(15,002.63)	(17,550.02)	-
	Units Outstanding at 1 January 2021	Increase resulting from director appointments during the year	Units subscribed during the year	Units redeemed during the year	Decrease resulting from director cessations during the year	Units outstanding at 31 December 2021
2021	50,000.00	17,550.02	15,002.63	-	(50,000.00)	32,552.65

7 Transactions with related parties or connected persons(continued)

(e) Brokerage fee

The Sub-Fund utilises the brokerage services of BOCOM International Securities Limited, the fellow subsidiary of the Manager and the Trustee. Details of transactions effected through this company are as follows:

	2022 HKD	2021 HKD
Total aggregate value of such transactions for the year	187,675,465	91,683,332
Percentage of such transactions in value to total transactions for the year	20.47%	17.16%
Total commission paid for the year	225,205	110,271
Average rate of commission	0.12%	0.12%

8 Taxation

(a) Hong Kong Profits Tax

No provision for Hong Kong profits tax has been made for the Sub-Fund as the Sub-Fund 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(iA) of the Hong Kong Inland Revenue Ordinance.

(b) People's Republic of China

The Sub-Fund has investments in shares of companies in People's Republic of China ("PRC") listed on the Hong Kong Stock Exchange ("H-shares"). Under the general tax provision of PRC Corporate Income Tax Law ("PRC CIT Law"), the non-PRC residents with no place of effective management, establishment or place of business in the PRC may be subject to 10% PRC withholding income tax ("WIT") on the capital gain derived from disposal of securities, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties.

No provision was made for taxation from such gains in the financial statements as the Manager believes that the taxation on capital gains derived from H-Shares is not probable under the current enforcement environment.

Withholding income tax of 10% was charged on dividend income received from H-shares during the year.

(c) Withholding tax

Income from investments held by the Sub-Fund may be subject to withholding taxes in jurisdictions other than that of the Sub-Fund as imposed by the country of origin. Withholding taxes are shown as a separate line item in the statement of other comprehensive income.

9 Transaction costs

Transaction costs include brokerage and commission fee for the purchases and sales of investments. The transaction costs charged for the year ended 31 December 2022 amounted to HKD2,247,878 (2021: HKD1,189,925). Refer to Note 7(e) for details.

10 Soft commission arrangements

During the year, the Manager and its connected persons did not enter into any soft dollar arrangements with brokers relating to dealing in the assets of the Sub-Fund.

11 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2022

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2022 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Sub-Fund.

	<i>Effective for accounting periods beginning on or after</i>
HKFRS 17, <i>Insurance contracts</i>	1 January 2023
Amendments to HKAS 1, <i>Presentation of financial statements</i> and HKFRS Practice Statement 2, <i>Making materiality judgements:</i> <i>Disclosure of accounting policies</i>	1 January 2023
Amendments to HKAS 8, <i>Accounting policies, changes in</i> <i>accounting estimates and errors: Definition of accounting estimates</i>	1 January 2023
Amendments to HKAS 1, <i>Presentation of financial statements:</i> <i>Classification of liabilities as current or non-current</i>	1 January 2024
Amendments to HKAS 1, <i>Presentation of financial statements:</i> <i>Non-current liabilities with covenants</i>	1 January 2024

The Sub-Fund is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

Investment portfolio (unaudited) as at 31 December 2022

Investments (99.09%)	Holdings	Fair Value HKD	% of Net assets
Equity securities (99.09%)			
Listed in Hong Kong			
AAC Technologies Holdings Inc	400,000	7,136,000	4.01
Alibaba Group Holding Ltd	75,000	6,468,750	3.64
Angelalign Technology Inc	40,000	4,876,000	2.74
China Animal Healthcare Ltd	270,000	-	-
China Communications Construction Co Ltd	1,000,000	3,750,000	2.11
China East Education Holdings Ltd	1,000,000	6,200,000	3.49
China Education Group Holdings Ltd	460,000	4,646,000	2.61
China Traditional Chinese Medicine Holdings Co Ltd	1,000,000	3,540,000	1.99
Chinasoft International Ltd	1,300,000	8,827,000	4.97
CMOC Group Ltd	1,200,000	4,320,000	2.43
COSCO Shipping Holdings Co Ltd	500,000	3,980,000	2.24
Country Garden Holdings Co Ltd	1,000,000	2,660,000	1.50
Country Garden Services Holdings Co Ltd	150,000	2,916,000	1.64
Dongfang Electric Corp Ltd	450,000	5,949,000	3.35
Dongyue Group Ltd	600,000	5,154,000	2.90
Flat Glass Group Co Ltd	250,000	4,720,000	2.65
Geely Automobile Holdings Ltd	500,000	5,700,000	3.21
Greentown China Holdings Ltd	450,000	5,130,000	2.89
Haidilao International Holding Ltd	300,000	6,720,000	3.78
Hong Kong Exchanges and Clearing Ltd	30,000	10,110,000	5.69
Hua Hong Semiconductor Ltd	150,000	4,072,500	2.29
Ke Holdings Inc	110,000	4,031,500	2.27
Kingdee International Software Group Co Ltd	800,000	13,376,000	7.53
Kuaishou Technology	70,000	4,970,000	2.80
KWG Group Holdings Ltd	800,000	1,488,000	0.84
Meituan	65,000	11,349,000	6.38
Metallurgical Corporation of China Ltd	2,000,000	3,440,000	1.93
Microport Scientific Corp	100,000	2,055,000	1.16
New Oriental Education & Technology Group Inc	20,000	569,000	0.32
Nexteer Automotive Group Ltd	750,000	3,832,500	2.16
Sun Art Retail Group Ltd	1,500,000	3,840,000	2.16
Super Hi International Holding Ltd	30,000	297,900	0.17
TravelSky Technology Ltd	250,000	4,125,000	2.32
WuXi Biologics (Cayman) Inc	140,000	8,379,000	4.71
Xtep International Holdings Ltd	400,000	3,468,000	1.95
Zhongsheng Group Holdings Ltd	100,000	4,015,000	2.26
Total investments (cost = HKD 155,547,880)		176,111,150	99.09
Other net assets		1,612,446	0.91
Total net assets as at 31 December 2022		177,723,596	100.00

Statement of movements in investment portfolio (unaudited) For the year ended 31 December 2022

Investments	2021	Additions	Holdings/principal Corporate Actions	Disposals	2022
Equities					
AAC Technologies Holdings Inc	-	400,000	-	-	400,000
AIA Group Ltd	109,800	-	-	109,800	-
Alibaba Group Holding Ltd	51,000	126,300	-	102,300	75,000
Anta Sports Products Ltd	75,000	-	-	75,000	-
Angelalign Technology Inc	-	70,000	-	30,000	40,000
Bosideng Intl Hldgs Ltd	472,000	-	-	472,000	-
BYD Electronic Int	41,000	-	-	41,000	-
China Animal Healthcare Ltd	270,000	-	-	-	270,000
China Communications Construction Co Ltd	-	1,000,000	-	-	1,000,000
China Construction Bank-H	2,100,000	-	-	2,100,000	-
China East Education Holdings Ltd	-	1,450,000	-	450,000	1,000,000
China Education Group Holdings Ltd	-	460,000	-	-	460,000
China International Capita-H	250,000	-	-	250,000	-
China Longyuan Pow	90,000	-	-	90,000	-
China Mengniu Dairy Co	71,000	-	-	71,000	-
China Mobile Ltd	238,000	-	-	238,000	-
China Natinonal Building Ma-H	114,000	-	-	114,000	-
China Suntien Green Energy-H	421,000	-	-	421,000	-
China Traditional Chinese Medicine Holdings Co Ltd	-	1,000,000	-	-	1,000,000
Chinasoft International Ltd	-	1,300,000	-	-	1,300,000
CMOC Group Ltd	-	1,200,000	-	-	1,200,000
COSCO Shipping Holdings Co Ltd	-	500,000	-	-	500,000
Country Garden Holdings Co Ltd	-	1,000,000	-	-	1,000,000
Country Garden Services Holdings Co Ltd	-	150,000	-	-	150,000
Cowell E Holdings Inc	160,000	-	-	160,000	-
Dongfang Electric Corp Ltd	251,000	450,000	-	251,000	450,000
Dongyue Group Ltd	-	600,000	-	-	600,000
Enn Energy Holdings Ltd	45,000	-	-	45,000	-
Ever Sunshine Lifestyle Services Group Ltd	250,000	-	-	250,000	-
Flat Glass Group Co Ltd	123,000	250,000	-	123,000	250,000
Ganfeng Lithium Co Ltd-H	32,600	-	-	32,600	-
Geely Automobile Holdings Ltd	-	500,000	-	-	500,000
Greentown China Holdings Ltd	-	450,000	-	-	450,000
Haidilao International Holding Ltd	-	830,000	-	530,000	300,000
Hong Kong Exchanges and Clearing Ltd	18,000	56,000	-	44,000	30,000
Hua Hong Semiconductor Ltd	153,000	202,000	-	205,000	150,000

Statement of movements in investment portfolio (unaudited) (continued) For the year ended 31 December 2022

Investments	2021	Additions	Holdings/principal Corporate Actions	Disposals	2022
Equities					
Ke Holdings Inc	-	110,000	-	-	110,000
Kingboard Laminates Hldg Ltd	150,000	-	-	150,000	-
Kingdee International Software Group Co Ltd	-	900,000	-	100,000	800,000
Kuaishou Technology	-	70,000	-	-	70,000
KWG Group Holdings Ltd	-	800,000	-	-	800,000
Ling Co Ltd	26,000	-	-	26,000	-
Longfor Group Holdings Limited	50,000	-	-	50,000	-
Meituan	10,000	70,000	-	15,000	65,000
Metallurgical Corporation of China Ltd	-	2,000,000	-	-	2,000,000
Microport Scientific Corp	-	100,000	-	-	100,000
New Oriental Education & Technology Group Inc	-	20,000	-	-	20,000
Nexteer Automotive Group Ltd	-	750,000	-	-	750,000
Pharmaron Beijing Co Ltd	100,000	-	-	100,000	-
Shenzhou International Group	7,500	-	-	7,500	-
Sinotruk Hong Kong Ltd	195,000	-	-	195,000	-
Sun Art Retail Group Ltd	-	1,500,000	-	-	1,500,000
Sunny Optical Technology Group Co Ltd	30,000	-	-	30,000	-
Super Hi International Holding Ltd	-	30,000	-	-	30,000
Techtronic Industries Co Ltd	30,000	-	-	30,000	-
Tencent Holdings Ltd	22,000	-	-	22,000	-
TravelSky Technology Ltd	650,000	390,000	-	790,000	250,000
Vesync Co Ltd	730,000	-	-	730,000	-
Wuxi Apptec Co Ltd-H	16,700	-	-	16,700	-
WuXi Biologics (Cayman) Inc	130,000	140,000	-	130,000	140,000
Xtep International Holdings Ltd	-	400,000	-	-	400,000
Zhongsheng Group Holdings Ltd	80,000	100,000	-	80,000	100,000

Performance table (unaudited) for the year ended 31 December 2022

	<i>Dealing Net asset value of the Sub-Fund HKD</i>	<i>Dealing Net asset value per unit HKD</i>
At 31 December 2022 (Dealing NAV)	177,723,596	8.110
At 31 December 2021 (Dealing NAV)	234,393,736	10.531
At 31 December 2020 (Dealing NAV)	317,443,975	12.525
At 31 December 2019 (Dealing NAV)	226,296,377	8.543

Highest and lowest net asset value per unit (Dealing NAV)

	<i>Highest net asset value per unit</i>	<i>Lowest net asset value per unit</i>
Year ended 31 December 2022	10.547	6.697
Year ended 31 December 2021	16.162	10.224
Year ended 31 December 2020	12.525	7.334
Year ended 31 December 2019	8.957	7.451
Year ended 31 December 2018	10.201	7.589
Year ended 31 December 2017	9.600	6.870
Year ended 31 December 2016	7.623	6.382
Year ended 31 December 2015	12.316	7.612
Year ended 31 December 2014	10.250	8.052
Year ended 31 December 2013	9.796	7.938
Year ended 31 December 2012	9.483	7.129